

ONLINE STORAGE AUCTIONS

WHY THEY'RE HOT

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For 20 years, Baton Rouge multi-facility self-storage owner Lonnie Bickford was not satisfied with the traditional auction process that came with abandoned units. After venturing into online auctions a few times, he knew they were the next best practice the storage industry would adopt. Since then, he created StorageAuctions.com.

StorageAuctions.com generates convenience by connecting self-storage facility auctions with potential buyers who may not have known about the auction otherwise. Unlike traditional auctions, the site helps facilities sell at any time with any number of units directly from a computer, tablet or mobile device. Self-storage facility owners can list auctions online with only one or two units and can still get in front of thousands of viewers.

Usually, facility owners could not draw a crowd to a traditional auction unless six to ten units were delinquent or abandoned. "That means carrying the units for several months delinquent until the auction," Bickford said. "As a storage owner, I know I did not want to carry bad debt just to potentially make a good sale."

Because this is a site created solely for self-storage auctions, buyers benefit, too. Those looking to bid on storage auctions can now do so from the comfort of their own homes. In the past, potential buyers would have to read multiple newspapers to find auctions, then decide if an auction was worth the drive. Oftentimes, storage facilities only have a few units to bid at a time, leaving buyers feeling like they wasted a trip.

STORAGEAUCTIONS.com

The way StorageAuctions.com works, buyers log on and search "Auctions Near Me." Then they're shown previews of all the available auctions in their state, and buyers can narrow their search to a city or zip code.

Each auction preview in the search results tells the potential buyer how many miles away the auction is. The site allows potential buyers to look at in-depth pictures of the unit before deciding to bid on its contents or not. They only have to worry about traveling if they have the winning bid. StorageAuctions.com has gained momentum over the last year. It has become the fastest-growing platform of this kind with more than 25 percent month over month growth.

The site currently caters to both large and small operators in 26 states, and coverage is increasing into new areas every month. Some of the Top 100 large operators who use StorageAuctions.com are Universal Storage Group, Movelt, Devon Self-Storage, AAAA Self-Storage and Storage Asset Management (SAM).

Small businesses often benefit the most by using online auctions instead of live ones because the units are exposed to a wider bidder base. A small town, locally-owned facility may only have a few people show up at a traditional live auction, but online, the units receive thousands of views.

Five years ago, online auctions were pioneered by the REITs (Real Estate Investment Trust securities), Extra Space Storage and CubeSmart Self-Storage. The "early adopters" paved and paid the way for changing state lien laws. Online auctions were always legal, but the REITs paid for the SSA (Self-Storage Association) to lobby for specific language about online auctions. These efforts helped people feel more comfortable using the new technology. So far, no states have rejected the proposed changes to lien laws to include specifics about online storage auctions. The early majority is beginning to adapt to the new technology now that it's the proven best practice.

What makes StorageAuctions.com different from its competitors is the emphasis on social media and internet marketing. Auctions are marketed online to people in a 120-mile radius of the self-storage facility.

"Often times, people are hesitant to switch to online auctions because they do not think there have been online auctions in their immediate area," Bickford said. "I like to say, 'If there's Facebook and internet in your area, we have something for you.'"