

NHSAA Newsletter

Member of the National Self-Storage Association

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Customer Care and Retention

By Gary Camp, SSA Globe

The importance of caring for and maintaining your current customer base is not a new concept. Self-storage is an event-driven business, and while you certainly can't control the external factors that cause a customer to sign a new lease, or move out, you do have the ability to control their experience once they are on-site at your facility.

Some of these concepts are not new, but worthy of repeating. Smart, basic, and proactive business practices can make the difference between retaining or losing a tenant.

Reduce Stress

"We realize that the majority of our move-ins are experiencing a certain level of stress, as moving is often stressful or the result of a life change that acts as a major stressor, such as marriage and divorce, births and deaths, and moving and renovations," said Frank DeFazio, director of marketing for Guardian Storage Property Management.

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Important
Announcement:

Save the
Date!

The summer meeting will be held on July 27, 2011. Invitations will be emailed in June.

Questions for the Self Storage Legal

-Carlos Kaslow and Scott Zucker

Question: The father of one of our tenants, who is in the military and stationed overseas, came into our office and wanted to rent a larger space for his son. He has a signed power of attorney, the key to the space and the gate code. He says that he currently has his own storage space at another facility and wants to combine his property and his son's property into a single space so he can save some money. Can the father rent the space for his son? Should I ask the son for an e-mail confirmation that he wants his father to act for him or is the power-of-attorney enough? Our rental agreement contains a provision that the tenant can only store property owned by the tenant can only store property owned by the tenant. We think the father is acting in good faith but I am concerned about going forward because we would be in violation of one of the terms of the rental agreement. Can you please provide some advice on how we should proceed?

Answer: This is a complex question but may have a simple solution. First, if the father has a power of attorney and the signature matches the signature in the file it is reasonable for you to rely upon it. Also the father has a key to the space and his son's gate code. This is an additional indicator that the son wanted his father to act on his behalf with respect to the storage unit. If you have the son's e-mail address, it is always a good practice to e-mail the son and inform him that his father plans on renting a larger space for him. The e-mail should state that the son must contact you immediately if he does not want to rent a larger space for him. The e-mail should state that the son must contact you immediately if he does not want to rent a larger space and be responsible for the higher rent. If the son does not respond in a reasonable time, 3 to 7 days, you could rent the larger space with the son as the tenant as the father requested.

You stated that the father plans to move his own property from another storage facility and place it along with his son's property in the space rented under the name of the son. As you noted, this could be a problem because the rental agreement states that tenants will only store property "solely owned by the tenant."

In this case, the son's unit would end up containing property owned by the father. Although this may commonly happen with the tenant's storing property of others, in the case, the manager would have direct knowledge of the combination of the two properties. The concern, therefore, is that although the father will not be the "tenant", he may have tenant rights because he is using the space to store his own property and the facility is knowingly permitted this.

A simple solution may be to have the father rent his own separate space at the facility and not combine the two properties. Rather than having the father rent a larger space in his son's name, you could make him a very attractive offer to rent him his own space to store his property. As the father of a tenant serving our country overseas, you may want to offer him a second space large enough for his contents as a combined rent that is no more than renting the larger space. This would be especially attractive option if you have several vacant spaces. This should be good for everyone. First, the father does not have to move his son's stored property from its current unit. He also gets to have his own storage space. You get much clearer paperwork for both the father and his son. Each will have a rental agreement on which they appear as tenant for a storage space that contains only their own property.

Question: We have self-storage facilities in Michigan and Wisconsin. In 2009 the Michigan legislature changed our lien law and in 2010 the Wisconsin legislature also made changes. We have been trying to implement the changes, which seem very positive but want to make sure we are doing it right. Do we have to make the changes immediately or can we adopt them over time. Also do we need to change our rental agreement? Do we have to give tenants notice that the lien law has changed? Could you give us some help on this?

Answer: This has been an important issue for self-storage operators recently and could be even more important over the next few years. In 2010, five states enacted legislation that made changes to the self-storage lien law. In the upcoming 2011-12 legislative session as many as 12 states could make modifications to lien laws. The Self Storage Association has an ongoing project to update and improve the lien remedy and is working with state associations to enact legislation.

When the state lien law is changed, the first step for storage operators is to get a copy of the bill and review the current law very carefully. Make a list of the changes that you will need to make to update your facility's rental agreement and lien procedures. You will probably want to put most changes into effect as soon as possible but not all changes have the same priority. The Michigan and Wisconsin lien bills are a good example of this. Each state made changes in the language of the rental agreement. The Michigan bill changed the statutory lien notice that must appear in every rental agreement. Therefore, this change was required to be made before the law's effective date. The Wisconsin bill, although positively affecting an owner's lien rights, did not require a prior change to the rental agreement before implementing the new lien remedy.

Operators must carefully pay attention to the specific wording that may be required in lien notices and in advertisements under their new laws. If the law changes the information that must be included in the statutory lien notices, you will need to get those done before the effective date of the law. For example, California revised its lien law in 2010 and the law required that the Notice of Lien Sale be modified. This form must be revised before the law's effective date or the owner would be sending out a non-complying notice.

Most importantly, Operators will want to consider the changes as to how notices are sent and advertisements are published. These are some of the most significant legislative changes that are being seen in the new self-storage laws.

For example, under the change in the Wisconsin statute, self-storage operators were given an additional method of sending their second lien notice. Under the prior law, storage operators were required to send their second lien notice by certified mail. The law was changed to give storage operators the option of sending the second notice by either certified mail or by first-class mail with certificate of mailing. Sending notice by first-class mail with certificate of mailing costs less than half as much as sending the notice by certified mail. But even though it may make sense to send notice by the new method, owners can continue using the prior method of mailing until they are ready to put the change into effect.

Are you required to provide tenants notice about the legislative changes? If the revised law requires that you make changes to your rental agreement, you must send your tenants advance notice of the new or revised rental agreement provisions. However, you would not have to inform your tenants in advance about the legislative changes in the wording of the lien notice or the method of mailing the notice. There is one exception to this: If your rental agreement states that lien notices will be sent in a specified way, for example by certified mail, you could not start sending the notice by first-class mail with a certificate of mailing until notice was first given to your tenants about the new method of delivery.

“Are you required to provide tenants notice about legislative changes?”

Vendor Spotlight: The Norwood Group

Whether you are buying or selling, a home is one of the largest investments in anyone's life. Therefore, it's important that you have solid, honest, and informed advisors assisting you with this investment.

Real Living | The Norwood Group has a staff of full-time brokers. Our firm has been around Southern New Hampshire since 1968. We know real estate in New Hampshire. In addition, our affiliation with Real Living gives the ability to be a part of their technology investment, Internet presence, and relocation services, to create a firm that is a blend of a small family run business with the strength of a national brand.

Our longevity of past experience teaches us the fundamentals of marketing and negotiations that have not changed since our doors opened: honor and integrity. What has changed is the means in which properties are searched and sold. Today's home buyers do the majority of their searching on the Internet. Therefore, at Real Living | The Norwood Group, as your Seller's Agent, we embrace all the new technologies that will enable us to help you sell your home quickly.

For those in the market searching for a home - our website and our agents can help be a filter for all of the information out in the marketplace. We offer addresses and maps to all listings in the MLS, giving you the ability to search for your property anonymously and on your own schedule. Because of the abundance of data on the Internet, call one of our agents at your convenience to help distill it to find the right home for you. Remember our job is not just to help you with the search, but as a Buyer's Agent, we can help you search, negotiate and close.

With our affiliation with [NAI Norwood Group](#) a full service global, commercial real estate firm, we are able to give you not only assistance with your home buying and selling needs, but any real estate need you have in the community or the world.

Real Living | The Norwood Group is a locally owned and operated firm, with the backing and affiliation of a national brand, which is expanding. We believe that even more important than technology is the face-to-face direct contact of a group of experienced professionals that work in unison with one goal and one focus: helping you with your real estate needs. Our agents, managers and even owners are a simple phone call away. It is as hands on as it gets. Let us handle your future and your home.

Source: <http://www.realliving.com/Norwood-Group>

Don't forget to support:

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Can-Am Building Systems Corp.	(508) 272-9724
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Emove Inc. Web Self Storage	(866) 693-6683
Flexospan Steel Buildings, Inc.	(800) 245-0396
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Northeast Record Retention	(877) 603-3100
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Syrasoft Management Software	(800) 817-7706
Trachte Bldg. System	(800) 356-5824

“The thank you letter is clearly focused on customer service.”

Guardian manages 15 properties in Pennsylvania and Colorado.

“Our property managers do what they can to alleviate the stress by making the move-in process fast and easy. We’ve streamlined the move-in process through redesigned forms that are easy to read, have large print and are as condensed as possible,” he continued. “We offer free bottled water, coffee and tea and other healthy refreshments. During the busy season, we’ve hired a masseuse to give free 15-minute neck rubs to both tenants and prospects visiting our stores. In a number of our sites, we play classical music to add yet another calming element to the environment.”

Your Website As an Introduction

All businesses realize the value of having a presence on the Internet, and droves of potential self-storage customers turn to the web for information. Many customers visit your website before they even set foot in the door.

Rick Yonis, the president of Sentry Self Storage Management in Coral Springs, Florida, says 35 to 40 percent of his customers reserve their space online. Sentry manages 43 properties with locations in Florida, Georgia, Texas, Nevada and Indiana. Yonis offers comprehensive virtual tours of their properties online, giving customers a comfort level and set of expectations before they walk in the door.

“We see a lot of business come through the Internet,” he said. “There is enough anxiety associated with move-in, so we try make their storage experience less stressful. We like giving them the ability to do their research online before they get to us.”

People that reserve online must still come to the site to see the unit and sign the necessary legal forms but allowing them to get many of their questions answered before they arrive helps expedite the process.

Staying in touch with your current customers is crucial to maintaining their business. Never underestimate the value of a personal touch. Everything, from thank you cards to let them know you appreciate their business to annual birthday cards and e-mails, goes a long way in maintaining a positive relationship. In most cases, they could choose a variety of alternate self-storage properties. Thanking them for choosing you helps you build ongoing rapport.

“As is the case with many things in life, it’s often the little things that we do that make the greatest impact,” said DeFazio. “We capture the birth date of each new tenant at move-in, and therefore, we’re able to know in advance of their birthday. Four days before a birthday of our tenant our property managers send a very nice birthday card to each tenant with a handwritten note. I can’t tell you how many times I hear comments about how nice it is that we remembered a birthday.”

After a new tenant signs a lease, both Guardian and Sentry customers receive customized thank you notes.

“Immediately following each new move-in, we send a hand-written thank you card to each new tenant,” said DeFazio. “They highlight something memorable from the move-in experience as a means of building a stronger relationship with the tenant, and makes sure to note that they are always available to help in any way to make their stay enjoyable.”

Yonis explains that the letters allow them to also verify the information they have on file from new customers.

“The thank you letter is clearly focused on customer service, but it also helps us identify erroneous addresses,” he said. “If the letter comes back—and I would estimate 10 to 15 percent do—it allows our staff to follow up to update their records.”

Customer comment cards, regular e-mails with different call-to-action incentives and promotions, monthly e-newsletters, and even move-out surveys are all invaluable (and relatively inexpensive) ways to help stay in touch with your customers.

Everyone knows that acquiring a new customer is far more costly than maintaining current ones. What you do to keep your customers happy can make all the difference in your bottom line.

Source: SSA Globe

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