fetch

Choosing a Package Solution

Comparing the Benefits and Challenges of Off-Site Package Management, Package Lockers and Package Rooms
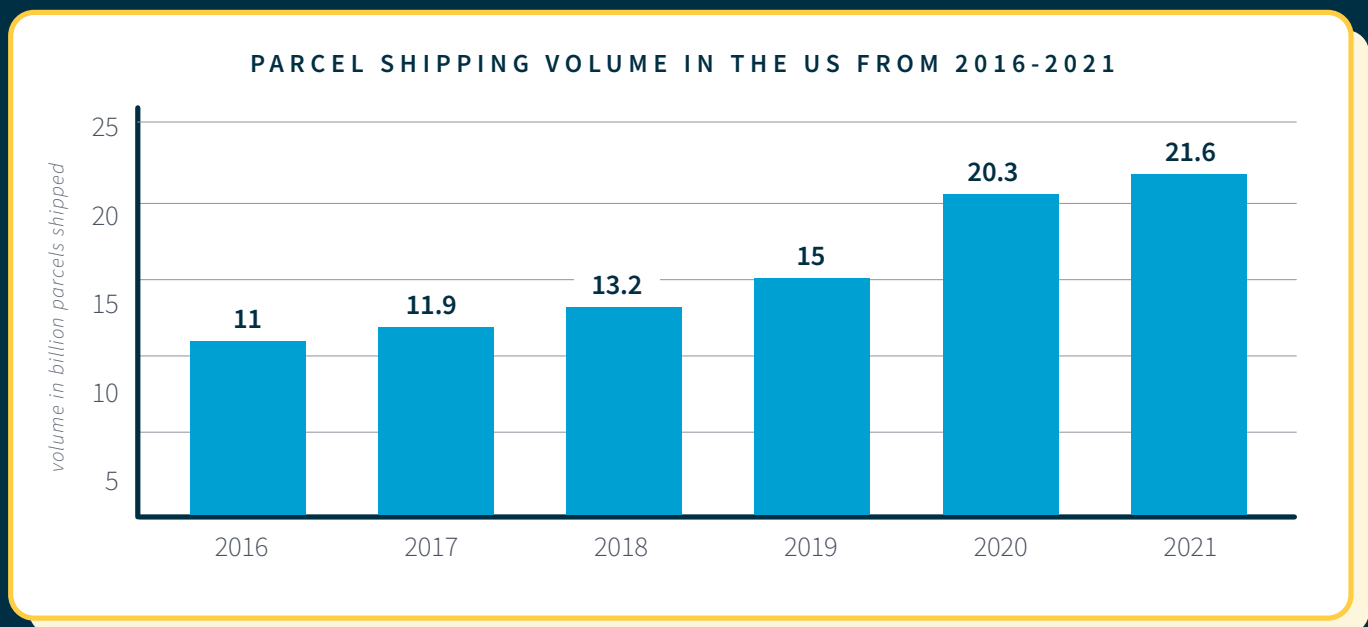
It's no secret the multifamily industry has been overwhelmed by resident packages for years.

Online orders continue to pile up at apartment buildings, and finding storage space can often be an unfeasible task for property managers and on-site teams. Owners and operators are turning towards scalable solutions that allow them to take back their community leasing offices and on-site team members' time.

There are a few popular package systems out there that property managers resort to when their community space no longer supports an influx of resident deliveries: package lockers, package rooms and off-site package delivery. We've compiled all the information you'll need to consider what solution best fits for your community or portfolio-wide package problem and unique needs.

The "Package Problem"

In 2021, Statista reported 21.6 billion packages were shipped in the **United States**, up from 20.3 billion in 2020. This massive number is predicted to continue growing steadily.

PARCEL SHIPPING VOLUME IN THE US FROM 2016-2021

Year	Volume (billion parcels shipped)
2016	11
2017	11.9
2018	13.2
2019	15
2020	20.3
2021	21.6

Each year, more and more apartment residents are turning toward the convenience of ordering online. According to data journalist Katharina Buchholz, 159 billion packages were shipped worldwide in 2021, a figure that more than tripled in seven years. **So, what does this mean for the multifamily industry?** In recent years the spike in e-commerce has driven apartment communities to re-evaluate their system for accepting residents' packages. In communities with 350+ units, managing deliveries is no easy task– especially when property managers should expect deliveries every single day. Typically, Owners and Operators select from a few popular package management systems to try and maintain the ever-growing delivery volume.

Overview of typical package systems

Package Lockers

- Locker banks have a defined number of compartments that determine the amount and variety of size packages that can be stored in the bank.

- There is a little flexibility to increase storage capability outside of purchasing additional lockers.

- Additional lockers can be purchased to accommodate oversize packages, perishable medication's or meal prep kits.

- In times that lockers are maxed out, on-site teams are forced to explore other options such as purchasing additional walkers, delivering overflow packages to residence, or storing them within the leasing office.

Package Rooms

- A package rooms' size and storage capacity can vary across communities, given the amount of square footage that can willingly be reserved for package storage.

- If a package room hits its capacity, community teams will have to look for alternatives to store and accommodate resident deliveries.

Off-site Package Management

- Resident packages are delivered to an off-site local warehouse, so the number of packages that an off-site package solution can store and deliver to residence is not restricted by a community space.

- An off-site solution removes packages from the physical community, leasing office and on-site teams' responsibilities.

- Fetch, an off-site package solution, currently serves more than 300,000+ units and has removed millions of packages from communities across the country.

- Certain sized packages may still be too large for a locker (large apartment furniture for instance).
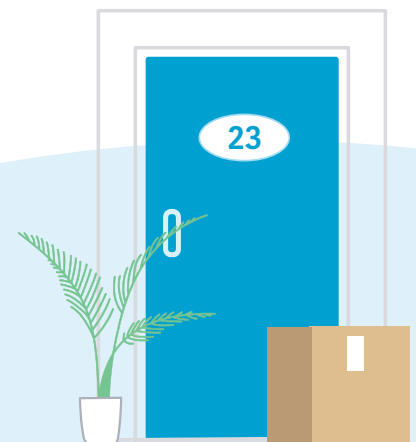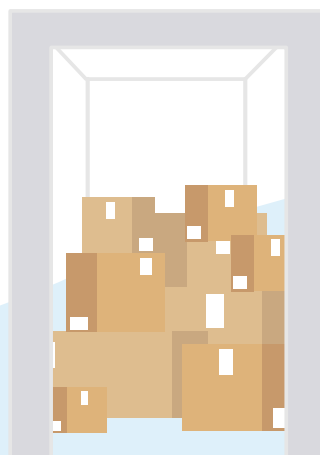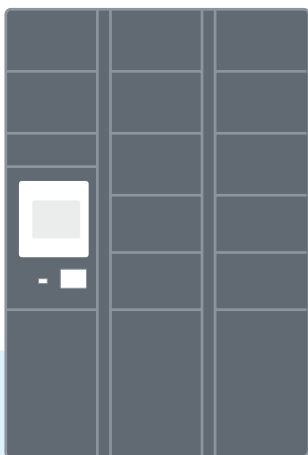
Oversize Packages

Workout equipment, desks, California-king mattresses, car tires, you name it. All can be shipped to residents nowadays. Multifamily's large or oversized package numbers jumped by 132% from May to October in 2020.

Package lockers:

• Package lockers can be engineered to store packages of multiple sizes, including oversized.

• The number of oversized items that can be stored is dependent on the defined number of oversized blockers within the bank.

"Of all the packages that are delivered to multifamily complexes, 13 - 20% are extra large packages that don't fit into normal lockers, and if you don't have a plan for them, carriers end up delivering them to the front desk."

To accommodate for larger packages, Luxer One explains that some **communities choose to purchase an oversize locker or a package room in addition to lockers**, according to Luxer One.

Package rooms:

• A package room's ability to store all resident packages on a given day (big and small) is dependent on the number and size of packages being delivered.

• Whether or not a dedicated package room will be sufficient for a community could vary by day and how quickly residents retrieve their packages.

Off-Site Package Management:

• Off-site package delivery services receive all parcels no matter the size or the weight at an off-site warehouse.

• From a first floor apartment delivery to the top floor, these companies will bring an oversized or jiffy (envelope) sized package straight to the resident's door.

> " When there aren't enough lockers, you're right back to having your staff manage packages. We moved on to package rooms, but the problem with lockers and package rooms is that we still have to do all the work."

TIM KRAMER, VICE PRESIDENT AND DIRECTOR
OF OPERATIONS AT DRAPER AND KRAMER

Expenses

Owners and Operators must account for the initial costs to implement a new package system as well as the potential for ROI at the community. This is typically based on how many units a multifamily property has, as well as how much staff overhead is available.

Package lockers:

- According to Jeff Granger from Butterfly MX, package lockers come with a hefty upfront cost. Granger says Owners and Operators can expect to pay anywhere from $6,900 to $20,000 for an entry level locker system, with additional units or larger systems costing even more. In addition to hardware costs, many package locker providers also charge monthly per unit service fees and/or resident fees.

- Additional costs can include technology updates, maintenance, community staff time and the cost endured to forfeit community/amenity space.

Package Rooms:

- Package rooms can operate in various ways: communities can re-purpose amenity or rentable space and partner with a package room solution that supplies shelving and access control.

- A smart package room and re-purposed community spaces share the cost associated with forfeiting community/amenities square footage, community staff time and potentially the technology needed for access control and security.

Off-site Package Management

- Off-site package delivery services eliminate all fees associated with technology, hardware, community space and staff time.

- Operators are charged for the service of delivering packages straight to residents doors which results in a per door monthly fee apartment execs can decide how to pass this fee onto residents.

Liability and Safety

As resident deliveries increase, owners and operators are looking to find ways to reduce package theft and the perceived liability the community teams assume for package delivery.

> According to the National Crime Prevention Council, multifamily communities have up to an 85 percent higher chance of being burglarized than single-family homes.

Package Lockers:

- With most modern lockers, individual resident packages are delivered to a single locker that generates a code for the resident to use when retrieving their delivery.

- If a package is miss delivered to a locker or is left outside of the locker in an unsecure place, the community team is often relied on by renters to locate and rectify their package problem.

- Communities must provide access to multiple carriers, multiple times throughout the day, creating a potential security issue and Increasing the time on-site teams dedicate to package management.

Package Rooms:

- Property managers can choose to install cameras and only grant room access to residents via a personal code.

- Gaining access to an entire package room requires residents to go by the honor-system of only taking what's theirs.

- If a package is picked up by the wrong person, on-site teams can be held responsible to locate the package and solve a resident's package issues.

Off-site Package Management:

- Community on-site teams will only see packages being delivered straight to the residents' door by vetted Fetch delivery drivers with building access. This eliminates the need to grant community access multiple times a day to multiple carriers like FedEx, Amazon, UPS drivers, etc.

- Fetch offers a feature allowing residents to schedule their delivery for when they are at home to obtain the package right away, or a feature to leave the package right at their door. This creates a seamless and secure delivery experience.

- Fetch assumes the same standard liability of all major carriers and works directly with residents that encounter any delivery issues.

- Off-site package delivery is the only solution that completely removes packages from the leasing office, entire community and off of on-site teams responsibilities.

In order to choose a package system that will function best for your community, consider how many units your community has, how many packages are arriving on a daily basis, and what kind of budget you're willing to allocate toward package management. Keep in mind, delivery volume is predicted to grow in the next 10 years– meaning the solution you choose should be able to scale with e-commerce growth, accept large packages and provide security for an abundance of deliveries.

FETCH

PACKAGE LOCKERS

PACKAGE ROOMS

For a full breakdown of each package system, download this one-page comparison here.

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