NATIONAL APARTMENT ASSOCIATION
We Lead the Way Home

How to Effectively Manage Package Acceptance:

Best Practices for Owners and Managers

Contents

Introduction 1

Challenge 1 3

Challenge 2 4

Challenge 3 5

Challenge 4 7

Challenge 5 8

Challenge 6 9

Conclusion 10

Acknowledgements 11

Sample Package Acceptance Addendum 12

Sample Package Log 13

Sample Waiver of Acceptance 14

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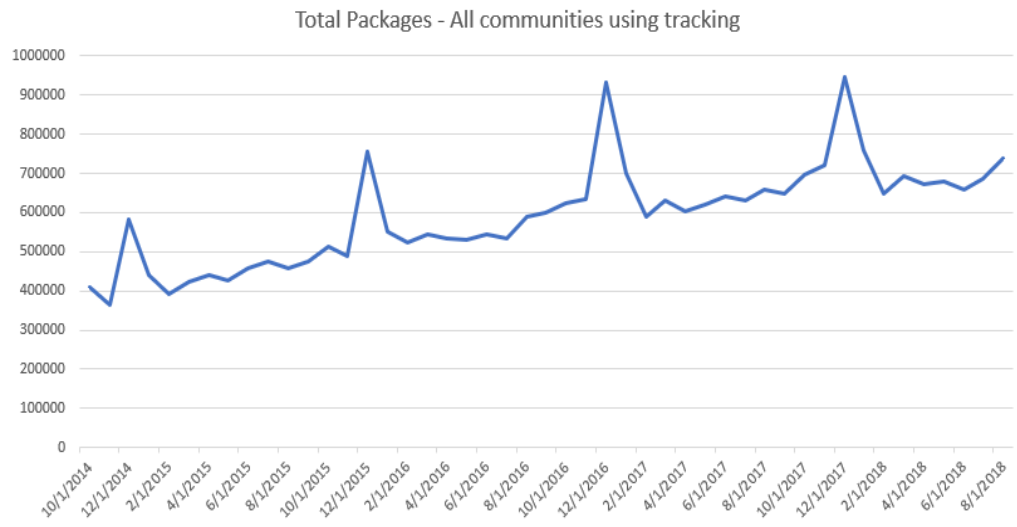
Introduction

With e-commerce sales increasing 15.2 percent in the past year, package delivery volume has increased significantly, causing concern for how apartment communities will manage their residents' packages. In 2017, e-commerce sales accounted for 9 percent of all retail sales in the United States. This figure is expected to reach 12.4 percent by 2020.

In 2018, United Parcel Service (UPS) expected to deliver 800 million holiday packages, up from the 750 million it delivered the year before. With products being shipped in more than just boxes, apartment communities must now include refrigerator storage for consumable items and space that can accommodate dry cleaning, not to mention medical supply and medication deliveries that require special care. Communication with residents about their packages' arrival and availability for pick-up is critical and ranks high on residents' desired-amenities list.

The number of packages received by multifamily consumers are growing each year, but the growth rate is slowing. RealPage analyzed package data from Sept. 1, 2014, to Aug. 31, 2018: 2015: 25 percent growth over 2014; 2016: 20 percent growth over 2015; 2017: 9 percent growth over 2016.



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Isolating the peak holiday months each year, November and December, those two months consistently account for almost 20 percent of the annual volume. Package volume during those months is still growing but has slowed each year, with yearly numbers at 31 percent, 26 percent, and 6 percent, respectively, from 2015 to 2017. The decrease in overall percentage growth year over year can be attributed to how properties are better managing their package deliveries, such as by using technology, lockers, and storage. Growth in resident self-service, secure package smart rooms, and package locker delivery systems, in addition to some communities refusing deliveries, is reducing the need for staff to handle packages in their offices.

New rental housing communities must consider providing ample space for both delivery and storage, to ensure that the space can accommodate possible future needs such as smart-lock access and refrigerated storage. New properties should also consider placing trash and recycling bins close to the package room, to facilitate packaging disposal, and ensure appropriate Internet connectivity for delivery-related software.

For established communities, the most utilized package delivery methods are holding packages at the management office, allowing package carriers to deliver items directly to the resident's door, and offering traditional, United States Postal Service (USPS) mailboxes. Many apartment leasing offices adjust the hours they're open to accommodate package pick-up, especially during the holiday season, when package storage areas can't accommodate high-volume delivery days. Resident satisfaction is a top priority for most management companies, so instituting a smooth package processing system, from package acceptance to resident delivery, is essential.

This document details best practices for such methods and explores additional solutions to consider. The pros and cons of various package management systems are reported—steps that could save administrative time, protect properties from liability, bring in potential additional revenue, and, above all else, enhance the resident experience.

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Challenge 1

Administrative Time

Package deliveries to apartment buildings continue to increase, with the average community receiving nearly 150 packages per week. This number jumps to 270 packages a week during the holidays—an 80 percent increase. This rise in package volume has led a third of the average community team to spend more than four hours a week dealing with packages. This includes time office team members spend accepting packages from carriers and logging, storing, and distributing them to residents while service team members are busy breaking down boxes and clearing trash chutes clogged from the deliveries.

Many owners, developers, and property managers report that their buildings' package storage solutions are inadequate during high-volume periods. To complicate matters, package storage is becoming more difficult with residents ordering heavy, oversized items that require more space and perishable goods such as food and medications that necessitate temperature-controlled storage. Reductions in administrative expenses such as payroll could be achieved with various package solution options that make communication with residents more efficient and include larger storage facilities and package lockers.

For communities that choose not to use technology and additional storage, employees should protect their company and residents from liability by logging all received and delivered packages for future reference (see the "Sample Package Log" on page 15). Staff should be present when residents sign for their packages. Managers are also advised to consider keeping a waiver-of-liability form for new residents to sign at move-in (see the "Sample Waiver of Acceptance" on page 14).

Other solutions to consider for decreasing on-site staff's administrative time:

- Technology options for notifying residents of package arrival via email and texting;
- Self-service access-control package storage rooms;
- Package locker delivery systems that allow 24/7 access for resident pick-up;
- Cameras and smart locks installed at home entry points for package delivery;
- Third-party delivery services that allow residents to schedule package delivery to their door; and
- Third-party recycling and composting services.
- Reducing the time employees spend managing packages not only cuts down on payroll expenses but also allows staff to focus more on providing exceptional customer service to residents and increasing resident retention and the community's overall management efficiency.

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Challenge 2

Package Delivery Issues

Corporate Housing/Short-Term Rentals

Your property's occupants may from time to time include guests of leaseholders. Packages delivered to the leasing office and addressed to such guests should be accepted just as would a package addressed to one of your residents. If guests' contact information is unknown, however, on-site staff will have difficulty delivering their packages correctly. In such cases, it's recommended the property manager contact the leaseholder to have him or her notify guests of their packages' arrival. Communities with access-controlled rooms using automated resident notification might need to establish guidelines for arranging automatic notification when a name other than the resident's appears on a package. These guidelines may include the responsibility of the lessor to contact the lessee to access the package.

Local Postal Carrier Refusing to Deliver

The USPS gives its postmasters broad discretion on delivery policy. In some areas, that results in postal carriers refusing delivery to locations that hinder their route (such as apartment units above the first floor), instead requiring a mandated postal station or mailbox for each building to facilitate deliveries to affected residents. NAA, in partnership with the National Multifamily Housing Council (NMHC), has been tracking postal delivery challenges and has been working with Congress on postal reform. If your properties are affected by this situation, we encourage you to speak with your congressional representatives. Such dialogue could help improve postal deliveries to multifamily properties while we work on your behalf on the greater issue of uniformity in mail delivery policy implementation. Your members of Congress can explore possible policies for their affected constituent communities, therein facilitating a more effective conversation with the USPS. Please let NAA and NMHC know if your community is being affected by such restraints.

Proactive Planning During Construction

We recommend that apartment developers meet with a USPS representative during the design phase of new construction. This will ensure that the community is not only following local regulations but also offers mail and package delivery services that provide a pleasant experience for the resident. The planning stage is a good time to decide what delivery platforms will work best for the community given the allocated space.

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Challenge 3

Access Control

Access-control systems are designed to allow specific individuals access to a property or space at specific times. At their most basic level, access-control systems ensure that only authorized individuals gain entry to certain areas in a facility. Likewise, access-control systems for package delivery limit carriers to only those areas where they're permitted. Such systems can also allow residents and carriers usage of those areas outside of normal business hours, thus enabling residents to retrieve their packages whenever it's most convenient for them.

In 2018, residents picked up their packages 43 percent more quickly than in previous years, due to immediate notification of package arrival and anytime access for pick-up. Automated package management systems are a trending amenity in most markets but can cost more to implement. Areas at which to consider granting access control include business entrances, elevators, floor levels, and parking lots. Consideration should be made for non-regular carriers who may not have key or code access, such as third- party delivery drivers who work for companies such as Amazon.

When it comes to deliveries, package lockers help take access control to another level of convenience for residents. In 2018, 75 percent more packages were delivered to apartment community package lockers during the week after Black Friday than during the previous week. This significant hike highlights one of the most important ways for a property to future-proof its package management solution: Pay attention to scalability.

The two most popular features of package lockers, regardless of community class or style, are the lockers' (1) easy access to both residents and package delivery personnel; and (2) security. To properly utilize access-control package rooms and lockers, residents must be notified in a timely fashion after their package is delivered. Additional system communications should note that packages will be returned to the sender if they're not picked up within the period specified by the management company. A notification to the delivery service for misdelivered or unwanted packages also helps streamline the process.

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Access control additional considerations:

For parcel lockers

- Who's responsible for their maintenance and upkeep expense?
- Are the lockers purchased or leased?
- Who other than residents will be granted access to them?
- How will the property handle overflow of deliveries if individual lockers fill to capacity?
- How will the property handle oversized items that don't fit in standard-sized lockers?

For package storage rooms

- Has adequate space been allocated for high-volume delivery periods such as holidays?
- Is there proper electrical and Internet capability to enable resident access?
- Is the system automatically enabled for all residents or is it based on an opt-in request?

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Challenge 4

Eliminating Package Acceptance

Some communities' set policy is to refuse package deliveries, leaving residents to find alternative ways to receive their shipments. Of these properties, many simply lack the storage capacity or the staff size to handle resident packages. Additionally, some management companies worry about the potential liability associated with package misplacement.

According to The Wall Street Journal, it's estimated that a property manager loses approximately 10 minutes of productivity per package delivered, which can add up to an estimated $3.3 million a year in revenue loss. Concern for employee safety is another factor in the decision to refuse delivery. After the serial package bombings in March 2018 in the Austin, Texas, area, select companies eliminated package acceptance in Austin, Dallas, and Houston.

Refusing package deliveries may cause backlash from residents and should be explained during the leasing process if it's a policy your property follows. Operators must also consider whether eliminating package deliveries will put their community at a competitive disadvantage. Negative reviews posted online by residents and prospects who are upset about a nondelivery policy can damage a property's reputation. Also consider secondhand liability if packages left in the hallways or lobbies are stolen at communities that don't accept packages.

Other factors to consider prior to deciding to eliminate package acceptance at your community:

- Is there a third-party service your community could partner with that could deliver packages directly to residents' doors?
- Is there an opportunity to offset the administrative expenses associated with package delivery by charging residents who choose to use the service?
- Will the absence of this amenity ultimately hurt your occupancy and/or marketability for leasing?
- Will package carriers abide by your delivery-refusal policy? What steps must be taken if they don't?
- Is there an opportunity for an apartment community's concierge service to accept packages at the front desk for those needing a signature?

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Challenge 5

Revenue Opportunities

Many properties are exploring effective ways to solve the overwhelming problem of residential package management. Some solutions allow for properties to charge residents, whether it's to recoup package acceptance costs, drive additional revenue, or encourage residents to pick up their packages more quickly. Opportunities for revenue include:

1. Storage fees
2. Sign-up fees
3. Increases to monthly or annual amenity fees
4. Delivery fees
5. Outbound shipping charges

The Pros and Cons of Charging Residents

Pros

- Less space required for package storage
- Additional property revenue
- Option to provide package lockers at little or no cost to the property

Cons

- Resident dissatisfaction
- Carrier pushback or noncompliance

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Challenge 6

Discarding Package Waste

E-commerce continues to create waste-management challenges in 41 percent of apartment communities because of the large volume of cardboard and packaging materials being discarded. Proper disposal of accompanying materials such as ice packs and padding present problems as well. Additional operator pain points include recycling expenses, clogged trash chutes or compactors, and resource-allocation challenges.

Solutions to consider include educating residents about proper disposal and recycling practices and providing recycling containers and composting services. Suggestions include:

1. Recyclable materials: Provide recycling bins for No. 1 and No. 2 plastics, paper, cardboard, glass, and aluminum.
2. Convenience and capacity: Position a recycling container within 25 feet of all trash collection service containers.
3. Signage: All signs should indicate, in both English and Spanish, which materials are accepted for recycling and include illustrations.
4. Education: Educate new employees and residents within 30 days of hiring or move-in and annually thereafter. With the exponential growth in online shopping, managing the onslaught of resident packages is vital to smooth on-site operations.

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Conclusion

With exponential growth in online shopping, solving problems associated with managing the onslaught of resident packages is vital to smooth onsite operations. This document explored the pros and cons of various management systems that save administrative time, protect property liability, have potential for additional revenue and above all else, enhance the resident experience. For more information on how to manage packages at your properties, please see the "References/Contributors" section on page 11, or contact NAAHQ.

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Acknowledgements

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Sample Package Acceptance Addendum

PACKAGE ACCEPTANCE ADDENDUM

1. DWELLING UNIT DESCRIPTION.
Unit No. _____, _____
_____ *(street address)* in
_____
(city), Alabama, _____
(zip code).

2. LEASE CONTRACT DESCRIPTION.
Lease Contract Date: _____
Owner's name: _____
_____
_____
_____
_____
Residents *(list all residents)*:
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____

This Addendum constitutes an Addendum to the above described Lease Contract for the above described premises, and is hereby incorporated into and made a part of such Lease Contract. Where the terms or conditions found in this Addendum vary or contradict any terms or conditions found in the Lease Contract, this Addendum shall control.

3. PURPOSE OF ADDENDUM. By signing this Addendum, you wish for us to sign for, and to accept U.S. mail and private delivered packages or other items on your behalf, subject to the terms and conditions set forth herein.

4. PACKAGE ACCEPTANCE.

A. Generally. You hereby authorize us and our agents to accept, on your behalf, any package or item delivered to our on-site management office during disclosed business hours, including but not limited to any package delivered by the U.S. Postal Service or by any private courier service or individual. You also specifically authorize us to sign on your behalf if the person or entity delivering said package or item requires an adult signature prior to delivery, including but not limited to the delivery of certified or registered mail. A photo I.D. is required before any packages will be released. Packages will only be released to verified Residents or approved representatives.

B. Limitations. You understand and agree that we may refuse to accept any package for any reason or no reason at all.

5. TIME LIMITATION. Due to limited storage space, we must ask that you pick up your package as soon as possible. You also agree that we shall have no duty whatsoever to hold or store any package for more than _____ days after receipt (accordingly, you should notify the management office if you are going to be away from the apartment home and expect to be receiving a package(s)). After said time, you agree that any such package is deemed abandoned and you authorize us to return the package to its original sender.

6. DUTY OF CARE, INDEMNIFICATION, ASSUMPTION OF RISKS AND WAIVER. As to any package for which we sign and/or receive on your behalf, you understand and agree that we have no duty to notify you of our receipt of such package, nor do we have any duty to maintain, protect, or deliver said package to you, nor do we have any duty to make said package available to you outside disclosed business hours. Any packages or personal property delivered to us or stored by us shall be at your sole risk, and you assume all risks whatsoever associated with any loss or damage to your packages and personal property. To the maximum extent permitted by law, you, your guests, family, invitees and agents hereby waive any and all claims against us or our agents of any nature regarding or relating to any package or item received by us, including but not limited to damage or theft, misplacing or damaging any such package, except in the event of our or our agent's gross negligence or willful misconduct. You also agree, to the maximum extent permitted by law, to defend and indemnify us and our agents and hold us both harmless from any and all claims that may be brought by any third party relating to any injury sustained relating to or arising from any package that we received on your behalf. You also agree, to the maximum extent permitted by law, to indemnify us and our agents and hold us harmless from any damage caused by you or our agents by any package received by us for you. You also authorize us to throw away or otherwise dispose of any package that we, in our sole discretion, deem to be dangerous, noxious, or in the case of packaged food, spoiled, and waive any claim whatsoever resulting from such disposal.

7. SEVERABILITY. If any provision of this Addendum or the Lease Contract is illegal, invalid or unenforceable under any applicable law, then it is the intention of the parties that (a) such provision shall be ineffective to the extent of such invalidity or unenforceability only without invalidating or otherwise affecting the remainder of this Addendum or the Lease, (b) the remainder of this Addendum shall not be affected thereby, and (c) it is also the intention of the parties to this Addendum that in lieu of each clause or provision that is illegal, invalid or unenforceable, there be added as a part of this Addendum a clause or provision similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

8. SPECIAL PROVISIONS. The following special provisions control over conflicting provisions of this printed form:
_____
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Resident or Residents
(All residents must sign)

_____
_____
_____
_____
_____
_____

Owner or Owner's Representative
(Signs below)

_____

Date of Signing Addendum

_____

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SAMPLE NOT VALID

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Sample Package Log

Package Log

No.	Apt #	Type	Receipt Date	Resident Name	Pick Up Date	Resident Signature
1						
2						
3						
4						
5						
6						
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Sample Waiver of Acceptance

WAIVER FOR ACCEPTANCE OF PACKAGES

Our Community is happy to accept and hold packages on behalf of our residents. By signing this waiver, Resident(s) give ownership/management permission to sign and accept packages, parcels, and letters sent to Resident(s) through UPS, Federal Express, Airborne, United States Postal Service or the like. Resident agrees that Owner/Manager does not accept responsibility or liability for any lost, damaged, or unordered deliveries, and agrees to hold Owner harmless for the same.

Resident –

Name: _____

Signature: _____ Date: _____

Resident –

Name: _____

Signature: _____ Date: _____

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