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Unpacking the impact of e-commerce on multifamily - by Rick Haughey

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Online shopping numbers continue to surge each year, and they are never higher than during the holiday shopping season. In fact, Cyber Monday sales this year skyrocketed to a record \$7.9 billion, a 19.3% increase, according to data from Adobe Analytics, and Amazon reported it was their biggest shopping day ever.

When talking about the effects of the growing number of online orders, many focus on what it means for retailers or package carriers. However, it also has a profound impact on apartment communities that have to receive, hold and hand-off these packages to more than 39 million residents.

To better understand how property managers are responding to the growing demands of package deliveries, the National Multifamily Housing Council and Kingsley Associates recently partnered on a 2018 Package Delivery Survey, which represents responses from more than 2,000 properties across 44 states.

Nationwide, the average apartment community receives nearly 150 packages each week. In the Boston metro area, however, 23% of property managers surveyed reported that their community receives more than 401 packages a week. That share jumps to 42.6% during high volume periods such as the holidays, putting an added strain on property managers and their staff.

As the number of items residents order online grows, including those with high value, package safety has become increasingly important. In response, communities are stepping up security measures. Most buildings (77%) now have a dedicated space for package storage, and 85% of package rooms are secured. Camera systems and controlled access touchscreens are the most common ways property managers are ensuring package safety, with 58% and 50% of respondents, respectively, indicating they have them on site.

Across the board, the biggest trend the multifamily arena is seeing in terms of package storage is the use of package lockers. Nationally, 30% of communities utilize package lockers as their primary package storage method. Boston is one of the cities with the highest proportion of communities primarily using package lockers (44%). More than 60% of communities with lockers are satisfied with their package solution compared to just 23% of communities that hold packages in the management office.

Using lockers allows managers to automate a manual task, saving time and resources. More than half (57%) of community managers across the country rated these lockers as the best method for handling resident packages. But capacity remains an issue—in Boston alone, nearly 40% of apartment communities surveyed said that their package locker capacity is insufficient for resident demand.

Finding more efficient ways to sort, store and secure packages is not the only challenge that surging online shopping presents. Property managers also need to address how different kinds of packages are stored, including temperature control. Forty-four% of property managers with refrigerated package lockers report they are used daily, yet only 4% of buildings offer them. Managing deliveries

can be especially challenging in high package volume markets. In higher-density, urban areas, space is often at a premium, so package storage solutions are important.

Finally, once all those boxes are opened, what happens next? Whether they're shipped back to the retailer for a return or shipped off to be recycled, they're creating more work for multifamily property managers. Fifty-four% of respondents state that they accept and hold return packages for carrier pick-up, while 41% of respondents report the large volumes of cardboard and packaging materials being tossed have created a waste management challenge.

Bottom line: The data shows this is still a work in progress. Apartment communities in Boston and beyond must figure out solutions that not only meet residents' needs, but also make financial sense and ease the burden of increased package deliveries on management and staff.

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