

Management and sales tools for the residential real estate broker

Regulatory Trends

To use drones or not? Brokers who brave the skies face nasty letters from FAA

Mark Chu's clients loved the aerial videos his company used to market properties. But the Federal Aviation Administration (FAA) wasn't so keen.

Soon after Chu's local newspaper, the *Fresno Bee*, reported in July that he was posting drone videos of listings, Chu received a threatening letter from the FAA. Federal officials warned Chu that he could face fines if his company, Big Realty Group, continued to post footage captured by drones.

"We'll stop doing it until the FAA and the Realtor association can come to an agreement about what the rules are," Chu says.

For real estate brokers, drones are a tool that's both tantalizing and frustrating. Drones shoot video of homes from new and exciting angles — but the FAA has forbidden commercial use of the unmanned vehicles.

Real estate companies have responded with varying degrees of caution. NRT, one of the nation's biggest brokers, recently warned Coldwell Banker brokers and agents against using drones to market homes.

Bob McCauley and Mark Daaleman, attorneys with Coldwell Banker Preferred, wrote a letter on NRT letterhead ordering NRT brokers and agents along the East Coast not to shoot drone footage or hire vendors to take aerial video.

"The FAA continues to take an aggressive stance regarding the use of drones specifically for real estate marketing purposes, even indicating that the agency considers the use of drone aircraft by or on behalf of real estate agents to be commercial in nature," the attorneys wrote in a letter obtained by Forbes.com. "The FAA has indicated that it is actively investigating suspected violations."

The attorneys noted that New York brokerage Brown Harris Stevens recently received a federal subpoena regarding a vendor's use of drones.

The National Association of Realtors likewise urges brokers to steer clear of drones for now.

"While NAR does not have an official policy on the use of drones at this time, the association recommends against members' use of drones for real estate marketing purposes and against hiring companies to do the same until such time as the FAA issues regulations providing for the commercial use of unmanned aircraft," NAR President Steve Brown says in a statement.

Despite the warnings, some brokers have adopted a carefree approach. Patrick Parker,

"In today's multimedia world it is more important than ever to think outside the marketing box."

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head of the 20-agent Patrick Parker Realty in Bradley Beach, NJ, issued a news release in late July announcing his use of drone video in his marketing.

In one example, Parker paid video firm Home Jab \$400 to create aerial footage of a New Jersey Shore home listed at \$899,000. The marketing video, posted on YouTube, includes about 20 seconds of aerial footage. Viewers watch as the camera elevates to the top of the house, and gives an aerial perspective of the home's distance from the beach.

"It really helps out the homeowner," Parker says. "That's my job — to get the property sold."

A cutting edge image vs. FAA woes

Chu and Parker both turned to drones as a way to offer something new and different to clients, and to signal their willingness to stay on the cutting edge of technology.

"In today's multimedia world it is more important than ever to think outside the marketing box," Parker says. "It's no longer about browsing the Sunday paper."

Parker says he was assured by Home Jab that commercial use of drones isn't illegal.

"They're telling me there's no law prohibiting this," Parker says.

Brian Doe, director of business development at Home Jab, calls the FAA's threatening stance "unenforceable."

"The use of drones in real estate is neither legal, nor illegal," Doe says. "It just has not been regulated yet."

Chu chose not to test the enforceability of the FAA's ban on commercial use of drones. He says the time and money he'd spend in a legal fight aren't worth it.

Parker, meanwhile, is flying full speed ahead.

"I'm trying to get as many videos up as I can," Parker says.

Drones are attractive in part because they're relatively inexpensive. Chu says he spent \$1,500 for a drone and \$800 for a camera. His marketing staff controlled the vehicle and shot the video.

Chu says he was disappointed when the FAA asked him to stop shooting aerial videos.

"Our clients absolutely love the videos we were producing with drones," he says.

Now that the FAA has shut down his flights, Chu says his son uses the drone. That's fine by the FAA, which has no problem with hobbyists flying the vehicles.

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