



# ***DRONES:***

# **A Whole New World for Real Estate**

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# What is a “drone?”

- Drones are more formally known as unmanned aerial vehicles (UAV).
- Essentially, a drone is a flying “robot.” Drones can be remotely controlled flown by a pilot via a ground control system, or autonomously through use of an on-board computer, communication links and any additional equipment that is necessary for the UAV to operate safely.
- An UAS is the UAV and anything else necessary for its operation.



# Regulations Applicable to the Operation of a drone (Civilian Uses)

- 2012 Federal Aviation Administration (FAA) Modernization and Reform Act (FMRA)
  - Five year road map to the integration of UAVs into national air space.
  - Section 333
- Proposed Rules for Small UASs (Feb. 2015)
  - Final Rules – 2017?
- Senate Bill 766 (May 2015)
  - Section 934.50, F.S., “Freedom from Unwarranted Surveillance Act.”

# What Started it All?

- Huerta v. Pirker
  - University of Virginia October 2011
  - June 2013 the FAA sought enforcement action against Raphael Pirker (Everyone stopped buying drones).
    - FAA alleged reached the UAV flew as high as 1,500 feet, targeted an individual, went into a tunnel, and were in close proximity to an active heliport
    - Civil penalty of \$10,000 for operating a UAS in a reckless and careless manner.
  - On appeal, the National Transportation Safety Board's (NTSB) Administrative Law Judge (ALJ) vacated the order imposing the fine. (Everyone started buying drones).
    - The ALJ reasoned that the FAA could not take action because a UAV as "model aircraft" under FAA policy, were not aircraft for purposes of statutory and regulatory definitions.

- FAA Appeals the ALJ's Decision (Everyone stopped buying drones).
    - November 2014, the full NTSB overturned the ALJ's Decision finding the following:
      - UAS's are aircraft within the meaning of the FAA's statutory and regulatory definitions
      - UAS's are prohibited from operation in a careless and reckless manner under FAA regulations.
- (Everyone stopped buying drones)

# Want to Fly a Drone for “Business” Purposes? You need FAA Approval!

- Special Airworthiness Certificates
  - Experimental Category (SAC-EC) for civil aircraft to perform research and development, crew training, and market surveys. However, carrying persons or property for compensation or hire is prohibited.
- Obtain a UAS type and airworthiness certificate in the Restricted Category for a special purpose or a type certificate for production of the UAS.
- Petition the FAA for a Section 333 Exemption
  - BINGO!

# Section 333, FMRA

- By law, any aircraft operation in the national airspace requires a certificated and registered aircraft, a licensed pilot, and operational approval.
- Section 333 of the *FAA Modernization and Reform Act of 2012* (FMRA) grants the Secretary of Transportation the authority to determine whether an airworthiness certificate is required for a UAS to operate safely in the National Airspace System (NAS).



# The Section 333 Exemption Process

- September 2014 – March 2015:
  - 120 day average
    - Assumes application package is complete.
    - Assumes responses to a RAI is addressed in a timely and complete fashion.
- April 2015 – present date:
  - 60 day average
    - Assumes your request meets the “streamlined” criteria conditions.
    - Assumes responses to RAI is addressed in a timely and complete fashion.

# What Do the Numbers Look Like?

## **ISSUED**

- As of June 23, 2015, 656 exemptions have been granted **NATIONALLY** for the commercial use of a drone.

## **SUBMITTED and Docketed**

- Over 1,000 pending review.

# What is Required to Obtain a Section 333 Exemption?

- Complete the required application
  - Documentation regarding the UAS
  - Documentation regarding the owner/operator of the UAS
  - Delineate the specific section of the Code from which you are requesting the exemption
  - Provide a narrative as to your justification for the exemption
    - Safety and airworthiness
- Submit the required information the UAS via the public docket

My Exemption was approved – yippee!  
I can bring in the big bucks!!  
NOT SO FAST....

- Registration is required
  - 30 days
  - Assumes the Registration Form and accompanying documents are ERROR FREE!!!!
- Civil COA (Certificate of Authorization)
  - Greater than 200'
  - 30 days or less
  - Assumes a complete application

# Economic Impact of the Commercial Use of Drones

- Study completed on behalf of the Association for Unmanned Vehicle Systems International (AUVSI) provides the following:<sup>1</sup>
  - An estimated \$82 Billion dollars from 2015 – 2025
  - Ten States to see the lions share
    - Florida ranks number FOUR
  - An estimated 100,000 new jobs created nationally by 2025
    - Florida 2015-2017
      - Economic Impact – \$632 (M)
      - 3,251 New Jobs

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<sup>1</sup> Darryl Jenkins and Dr. Bijan Vasigh. (2013). The Economic Impact of Unmanned Aircraft Systems Integration in the United States. Arlington: Association For Unmanned Vehicle Systems International)

# Drones in the Real Estate Industry

- Marketing
- Surveying
- Property Condition Assessments
- Environmental Site Assessments
- Remote presentations
- Development constraints
- Development potential

# Things to Think About

- State of Flux
  - Everyone starts buying drones
  - Everyone stops buying drones
- Current Regulatory Requirements
  - The Section 333 Exemption Process
  - Small UAS Proposed Rules
  - Florida Statute
- Liability
  - Contract
  - Purchase
- Insurance

Is An Aerial Video Worth  
1,000 Words and perhaps  
the difference between  
closing the deal and not?

You be the judge.





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