

Drones for Real Estate Marketing: Is the Investment Worth It?

In the last several years, UAV Drone technology has exploded onto the commercial marketplace, with Real Estate being an early adopter. In the past if you wanted aerial imagery, you either had to hire a professional helicopter pilot which didn't make economic sense or resort to the common method of displaying property images which was and still is ground level photos and/or video. Today the Real Estate industry has access to aerial photos and video through drones, homebuyers and sellers are changing the way they expect to interact with Real Estate listings.

According to MLS statistics, homes presented with aerial images and video sold 68% faster than homes with standard imaging. Video tours that incorporate drone footage are also a great way to make your property stand out and to attract new listings.

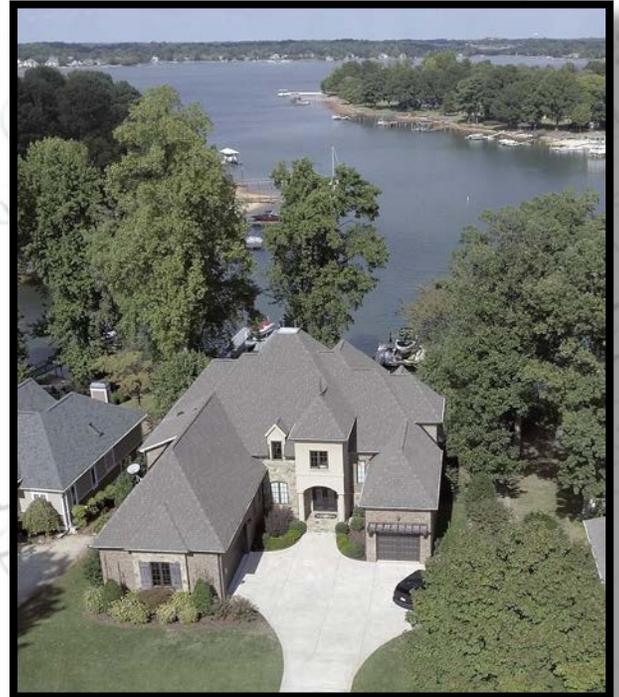
According to the National Association of REALTORS® (NAR), 73% of homeowners say that they are more likely to list with a real estate agent who uses video to market their home; however, only 9% of the agents create listing videos.

ARE DRONES THE ANSWER?

Some of you might be thinking, "is it really worth it for me to pay someone to take aerial photos and video of my listing?" Let's look at some numbers. Keeping things simple—let's assume the price for average home you sell is \$350,000, the total commission is 6%, your broker gets 3%, and you end up with 1.5%. That's \$5,250 for you per transaction. Let's also assume you close 11 transactions per year (NAR average for 2017).

That's an annual salary of \$57,750. Now let's say you begin to incorporate drone photos and video into your marketing plan for your listings. If we go off the statistics that homes sell 68% faster when using aerial imagery and that 73% of the homeowners prefer to list with an agent who uses video, we can conservatively say that you could attract 50% more listings and close 50% more deals--- pushing the 11 transactions to approximately 17, it would result in an annual income of \$89,250 in our scenario, an increase of \$31,500.

The average cost of hiring a drone service to shoot and edit varies by the size of the property and the geographic location you are in, but the average is about \$500. If you used a drone service for each of the 17 listings, it would cost you approximately \$8,500. That is a net increase of \$23,000 per year (\$31,500 minus \$8,500) from deciding to incorporate drones, a return on investment of 270%.



Nationwide Commercial Drone Flight Services and Solutions

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So, You Want to Hire a Drone Service Provider. What Should You Look For?

FAA PART 107 COMMERCIAL DRONE LICENSE

The FAA established new regulations in August 2016 that require anyone using a drone for commercial purposes (defined as anything other than recreational) to hold a Remote Part 107 Pilot License with a small UAV Rating. If you are going to hire a drone service, make sure this license is in possession. Not only does this insure that the drone pilot knows the rules they need to follow, but it also protects you from being associated with an illegal operation. The FAA has handed out fines as high as \$20,000 to people flying drones illegally.

INSURANCE

There are several insurance options available for drone pilots and service providers. Make sure that your hired drone service has liability insurance in the event something goes wrong and they damage the beautiful house you are trying to sell. Standard liability policies cover up to \$1,000,000 but established and experienced providers often have \$5,000,000- \$10,000,000 coverage.

EXPERIENCE AND QUALITY

If some is offering their drone services, it's a given that they should have a demo reel or examples of properties they have photographed and filmed. Go to their website, check out their work, and make sure it measures up to your standards. Not all drone operators are created equal. It takes practice and skill to get those smooth cinematic drone shots that can make or break a listing.

HIRING A DRONE SERVICE PROVIDER

If you're in the market to hire a commercial drone service provider (not cousin Tommy who does droning for a hobby), then here are key IMPORTANT items we highly recommend you cover with the provider before you are ordering the project:

- 1) FAA Certified? Does your firm have an FAA Part 107 UAV Operators Certificate in-hand? (ask to see)
- 2) Liability Insurance: Does the firm carry a minimum \$1,000,000+ in liability insurance coverage that specifically covers piloting a drone for Real Estate purposes?
- 3) Demo Reels and or examples of at least (3) different listings or property websites that contain your work.
- 4) Interior Video: Can you also shoot interior stabilized video? Many drone services use hand held gimbals to shoot interior and ground-based video that match the quality of their aerial shots. This is important if you want the drone operator to provide and end-to-end solution.
- 5) Pre-Shooting Planning Check List: Please have the service provider share their pre-shoot planning checklist, so you can understand the scope of work.
- 6) Price List: How much do they charge for the following?
 - 2-3 minutes of 4K aerial Video of a single-family home with at least four aerial angles (N, S, E, W)
 - At least 50 high resolution still shots taken inside and outside the residence to select from
 - 5 second 4K video cuts of each interior room
- 7) Lead Time & Plan "B" for Weather Delays: How much time do you need to prepare and show up on site?
- 8) Contract/Deposit/Cancellation/Rescheduling Policy: Are there any fees or cancellation penalties if you change your mind? How much lead time do you require?



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