

Star Drone price considerations

How did Star drone arrive at the \$500 per house/diem price point? We believe in transparency so we thought we would explain. As this is a somewhat new industry and since we are attempting to set the standards it is appropriate so as the customer does not feel taken advantage of. Simultaneously it helps stop unscrupulous people from either billing excessively or someone billing too cheaply proclaiming themselves to be an expert when in fact they are not. Here is Star drone's breakdown of the price.

1. Salary for the PIC= \$20 per hour. Reasonable to give a living wage to employees. Especially considering they must train and become certified by FAA regulations to become a Commercial drone pilot and posses a part 107 license. For a typical 2,000 sqft home it takes an hour to drive to and from the office, one hour to shoot, and 2-3 hours to process the data with software such like Pix 4d, drone deploy, photoshop etc. About 4-5 hours in total per house. That costs Star drone \$80-\$100.

https://www.faa.gov/regulations_policies/handbooks_manuals/aviation/media/remote_pilot_study_guide.pdf

2. The PIC does not act alone. To do so is illegal. A visual observer is a requirement for a PIC to shoot per the FAA. \$15 per hour is a reasonable wage for the aspiring pilot to be. Since they work alongside the PIC this is the same 4- 5 hours total per house. That costs Star drone \$60-\$75.

https://www.faa.gov/regulations_policies/handbooks_manuals/aviation/media/remote_pilot_study_guide.pdf

3. The software to film the 3d models costs about \$300 per month (drone deploy or pix 4d) or about \$10 per day. <https://www.dronedeploy.com/pricing.html> or <https://cloud.pix4d.com/store/>

4. The vehicle and gas and insurance (\$600, \$20, \$225 per month respectively....or About \$28 a day).

5. avioninsurance verify etc are drone UAV insurance providers for liability claims hull damage etc. They typically charge approximately \$750 per year (about \$2-5 per day) for a million dollar policy. Why any professional would not have this (a 55 lb. Drone falling 400 feet from the air can cause some serious damage) is beyond us. However it adds to the bottom line cost per day. <https://www.verify.com/>

6. Insurance for our employees is not cheap. The average price for health insurance per Kaiser family foundation is \$6,163 per employee per year. Or about \$513.58 per month. Or about \$17 per day. There are two employees per shoot per day. \$34 in total for health insurance.

<https://www.kff.org/health-costs/report/2017-employer-health-benefits-survey/>

7. The office rent is about \$30/sqft per year for those employees to call home (the price includes the ancillary staff to take your calls etc. To give them their flight missions). About 60,000 per year/5,000 per month/ \$166 per day.

Subtotal is \$403/day. Because of the time consumption and other mitigating factors such like inclement weather... We strive to have our crews do 2 projects a day averaged across the year LESS inclement weather days (It is unwise to fly a drone in the rain.). Meaning our crews on average after a 9 hour day of work (the FAA requires a 90 day prior waiver for time to fly outside of 30 minutes prior to sunrise and 30 minutes after sunset) MIGHT bring in NET profit of 300-400 per day for 2 shoots (2 houses). If it takes 4 hours to do 1 house properly, you can only shoot 2 houses per day at MOST per crew.

That means our PROFIT PER normal home is about \$100 if we shoot just one home. IF the crews manage to shoot 2 homes or their equivalents (of this 90% is reseeded back into the company to help with expansion of the brand and buying equipment (drones need replacing, cell phones, tablets etc. And hiring more staff etc.) then the profit is about \$600 per day per crew.

In essence we charge \$500. We spend \$400 conducting the business and taking care of our people. If we get a second shoot in the same day we are grateful for the business.

People charging outside of this range are either charging too much or are acting in a very unprofessional manner or doing many things illegally.

We believe in a fair days wage for a fair days work. The difference is that at star drone we actually follow the law and care about our people and products and clients. So much we have placed this on our website to both inform and warn the public and help set the industry standard.

Thank you

Brendan Philip Lynch, CEO