

NAR Commercial

Commercial Regulatory Report

June 2014

Federal Aviation Administration (FAA)

One Engine Inoperative

- Current FAA rules, along with local zoning ordinances, restrict building height near airports.
- New proposal from FAA would limit building height near airports.
- The proposed rule does not follow the required administrative procedures, and the rule would have a negative impact on buildings within the defined zone near airports.
- NAR is working with a coalition to oppose both the rule and the way the FAA is introducing it.

Unmanned Aerial Systems

- Unmanned aerial vehicles (UAVs) are currently being used for a variety of uses by law enforcement, scientists, national security and hobbyists.
- REALTORS® have expressed an interest in using them to take pictures and videos of property for marketing purposes to sell the property.
- Current policy under the Federal Aviation Administration (FAA) prohibits the use of UAVs for any commercial purpose, such creating videos to sell property.
- In 2012, Congress directed the FAA to develop a regulatory framework by 2015 that would integrate UAVs into the national airspace, while ensuring safety, privacy and national security.
- The FAA is on track to develop these regulations within the statutory timeframe.
- NAR will comment on the proposed regulations to ensure that safety, privacy and national security concerns are addressed, but also making sure that the rules are not overly cumbersome, burdensome and expensive for REALTORS® to use and market the property if they choose to do so.
- Current NAR policy is *“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.”*

Environmental Protection Agency (EPA)

Lead-Based Paint Hazards from Renovation, Repair, and Painting Activities in Public and Commercial Buildings

- Activity from EPA leading to rules governing the treatment of lead paint hazards in the renovation of public and commercial buildings
- NAR is participating in a coalition led by the Real Estate Roundtable and includes NAHB, Associated Builders and Contractors, Associated General Contractors of America, Building Owners and Managers Association International, National Apartment Association, National Multi Housing Council and others
- The coalition is examining a proposed EPA’s Framework for Identifying and Evaluating Lead-Based Paint Hazards from Renovation, Repair, and Painting Activities in Public and Commercial Buildings (“Framework”); and assembling appropriate small businesses to participate on a SBREFA panel

Securities and Exchange Commission (SEC)

Lease Accounting

- The current method for accounting for leases in a business balance sheet is up for review by the Financial Accounting Standards Board (FASB), which is the designated, private sector organization for standards set in accounting. The FASB is overseen by the SEC.
- The leading proposal would cause significant, negative changes in the way that lease expenses are included in a company’s accounting and could have far-reaching impacts in how businesses operate.
- NAR is working with a coalition that includes industry partners such as the Real Estate Roundtable and NAIOP to work with the SEC and the relevant Members of Congress on the issue.

AGENCY UPDATES

General Services Administration (GSA)

- Staff are examining how NAR commercial practitioners can work with GSA through the National Broker Contract, GSA Leasing, Public Private Partnerships, and other opportunities

Small Business Administration (SBA)

- Staff are examining how NAR commercial practitioners can work with SBA
- New SBA Administrator Maria Contreras-Sweet has expressed dedication to working with a wider audience, and to reducing the paperwork burden for loan and other SBA service recipients