

# Boomerang Real Estate Services

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“No Worries”

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# The Real Estate Truths according to Lynn Pickett How Real Estate has Evolved Since 1993.

*I started my real estate career in 1993. Looking back I am amazed at how technology has changed the real estate industry. As I thought about these changes I realized that most industries resist change and far too often the way things have been done in the past is not the best way to do things in the future. I hope as you read this article you will recognize how technology has changed real estate and why it is prudent to change the way real estate business is handled today.*

*- Lynn Pickett Nov. 2008*

## **Year 1993:**

In 1993 there was NO internet, NO email, and cell phones were NEW and expensive. Real Estate Agents found buyers by a sign in the yard, advertising in the newspaper and or home magazines, and holding open houses. Real Estate Companies were members of the Multiple Listing Service (MLS) which offered cooperating agents or real estate companies a share of the commission for providing a buyer usually half. The main responsibility of the MLS was printing a “phone book” which was distributed to the MLS members every 2 weeks.

## **Buyers in 1993:**

If a buyer didn’t want to call about every sign they saw in a yard, but they wanted to find out what was for sale in the market they would call a real estate company and schedule to meet with an agent and look through the “phone book” together. The “phone book” had multiple home listings per page with codes for bedrooms/baths/garages, etc. Sometimes a grainy black and white 2 inch picture of the home would be included in the “phone book”. If the buyer had met with an agent but had not found what they wanted from the “phone book”, the buyer or agent would drive around looking for new For Sale signs, pick up and search the latest magazines/newspapers ads searching for new prospective property that might be for sale. Often Real Estate Agents would receive more phone calls from other Agents looking for property that might be for sale as they would receive from prospective buyers calling. The reason for all the searching by agents and buyers was the TIME LAG between when a property was listed and when the listing became available in the “phone book”.

I hesitate to bring it up, but some agents would schedule their listings to start a day or two after the deadline for the “phone book” so they could advertise in the newspaper for a couple of weeks in hopes of locating a buyer before their listing would become common knowledge. Most buyers were uncomfortable hiring a “Buyer’s Agents” when new property listings would pop up daily in the newspaper too. Knowing buyers tendency to avoid hiring an agent who did not have access to the latest listings agents would work extra hard to find out about new listings to tell prospective buyers about in hopes of capturing these prospective buyers as clients and making a sale. Agents who listed property also knew these buyer tendencies and would try hard to double dip and earn more commission on each listing. “Buyer Loyalty” - I would consider an oxymoron at this time in real estate. A Real Estate Agent was only valuable if they had a listing or knew of the latest listing.

## **Year 1994-1995:**

Cell phones were becoming affordable for REALTORS. Now a buyer could call and reach a real estate agent directly rather than calling a company phone number for information. If a real estate agent had the “phone book” and a mobile phone the agent’s car quickly became the office. Large real estate company offices were quickly becoming outdated and old fashioned. Floor time or time when an agent would be at the office to answer calls from incoming buyers and sellers was quickly becoming useless. Real Estate Agents were controlling the real estate business rather than the real estate company providing the business leads. Because the real estate agent was in control agents began asking for higher commission splits and bonuses. Many real estate brokerages still had large office space they were paying for, so to offset the costs many real estate companies began charging a transaction fee to buyer and seller at the close of a deal.

## **Year 1996-2000:**

The internet was becoming accessible and more and more popular. Now color and multiple picture or virtual tours were being added to the list of agent tools to attract buyers. Buyer’s love seeing information online without having to commit to working with an agent and the seller’s liked seeing their property online. Agents were still being successful marketing in newspapers, magazines, signs and they were also marketing on the internet through different websites and search engines, etc. The cost of marketing was increasing, so many real estate companies were adding not only a transaction fee to the commissions but were also asking for higher commissions. Because of the internet information was instantly available. Now agents did not have to drive around to find new properties for sale or call other real estate agents looking

for property to sell they could search all the listings on the MLS from their home computer. There was no TIME LAG like before and an agent could look for listings at anytime. NOTE: Real Estate Agents were spending less time compared to a few years ago looking and showing property. I would estimate that in 1993-1997 I would show 15-25 homes to a prospective buyer, but from 1997 to today the number of homes decreased at least by half perhaps more.

### **Year 2000 - Today:**

Franchised Real Estate companies no longer have much market share. In fact if you took the top 10 companies in Utah County these companies are doing about 40% of the business combined. The reality is that Real Estate companies are doing very little to attract new business. Agents want the highest commission splits, so the real estate company is leaving the marketing to the agents to find new business.

NOW pay attention , but what do you see in the real estate magazines today? You will see a few houses, but more often than not you will see more “AGENT GLAMOR SHOTS” and TRUTHFULLY the houses in these magazine are probably homes that haven’t sold because they are overpriced or they are homes that are already UNDER CONTRACT. The other thing you will see in these magazines is CALL this 1-800 number for more information.

So why all the 1-800 numbers? Because in 2003 the DO NOT CALL REGISTRY was established making it illegal to call individuals who put their phone number on the list. The only legal way to call someone is to have an established business relationship with that person or to be returning a call from YES a 1-800 number. Now more than ever 1-800 numbers are being used as a way to establish a business relationship with a buyer because when you call a 1-800 numbers the 1-800 company sends the real estate agent your phone number even if your n umber is unlisted.

It is my opinion that marketing in newspapers, magazines today had very little to do with actually selling a property, but more a mentality of “that is how things are done.”

### **TODAY:**

When a listing is added to the MLS it is available to view on nearly every other real estate companies website within seconds of being submitted online. Buyers have information online from so many sources these buyers really have information overload. They don’t need the agent to find the home as much as they want and need an agent who can make sense of all the information out there and help them make an informed decision, negotiate in their behalf and

make sure that their interests are represented. Newspapers, Magazines, Fliers, Open Houses are producing few results compared to a few years ago.

### **TODAY and into the FUTURE:**

The market has slowed down. REALTORS who plan on staying in the business will be the agents who are able to make sense of ALL the information that their clients receive, not the agent who continues to waste money on marketing that is outdated and old fashioned. Real Estate agents will do more consulting and they will need to develop trust and a long lasting relationships with buyer and seller to stay in business.

Real Estate COMMISSIONS will drop in the years to come. If old fashioned marketing is no longer needed why charge the same fees? I have already changed the way I do business. WHY PAY MORE than is needed?

Traditional old fashioned Marketing required many sources of advertising to find and attract buyers. Technology has made it possible for anyone looking for property can find the information online that they desire. The question is will these buyers and sellers know what to do with the information they have?

So what type of marketing an I using?

### **REVOLUTIONARY Marketing: - RMA**

I feel I was inspired to have developed the idea of RMA or REALTOR Marketing Alliance. This idea is to not only to offer a buyer’s agent a commission for bringing a buyer who will buy the property, but to offer a buyer’s agent a commission just for SHOWING the property and providing PROFESSIONAL feedback for the listing agent to let the seller and agent know what others think of the listing. I feel that RMA marketing will catch on and provide agents the opportunity to TRULY consult with their clients and make the real estate industry better for everyone. I believe that as RMA catches on that the number of agents will continue to decrease not because of a bad real estate market but because the agents who stay in the business will be the agents who TRULY understand the market and their clients needs.

Why not hire the REALTOR who recognizes the need to change and has changed his effort to match the market needs. I regularly spend 10-15 hours per month researching market trends in Utah County. My market knowledge, skill and negotiations can make your buying or selling experience wonderful. I hope to year from you when you have a real estate need.

# Boomerang Real Estate Services

## Property Management Services

### **Rent Collection:**

Approximately 2.5% to 3.5% of the rent monthly.

*(Depends on # of units, # of contracts, and amount of rent)*

*Receive monthly reports and YTD reports that are TIME SAVING and great for tracking the expenses and tax purposes.*

### **Leasing Fee:**

50% of a full months rent to find, qualify, negotiate and sign a lease with a renter. (RESIDENTIAL Properties only)

\$0 if you already have an existing renter.

### **Renewal Fee:**

35% of a full months rent to negotiate and renew a lease for another year.

\$0 if you already have a renter and want to negotiate and sign a contract with them yourself.

### **PIP - Property Investment Plan:**

\$499.00 / Year (one unit) Add \$75.00 per additional unit inspected.

*Physical inspection of the income property - Detailed PIP is organized to help pay off the mortgage early, build up a maintenance reserve account, build wealth and management suggestions. Monthly coaching to help owners follow the plan and be accountable.*

PIP is FREE if Boomerang Real Estate has managed your income property for you for at least one year.

## Other Costs or Fees:

### **Maintenance Fee:**

\$35.00 / hour for maintenance work plus materials

### **Coordination Fee:**

\$15.00 / hour coordinating and consulting with vendors/contractors on major remodel or insurance jobs.

### **Maintenance Assessment Fee:**

\$17.50 per maintenance request to verify maintenance that needs to be done.

No charge if Boomerang does not have to actually visit the property.

### **Credit Check:**

\$20.00 per credit check

### **Inspection Fee:**

\$40.00 per inspection as often as requested by the owner.

### **70% of all late fees collected from tenants**

### **100% of all of the following fees collected from tenants - Bounced check fees, Application fees, Fees for re-inspection, Transfer fees when a tenant sells their contract early.**

Boomerang Real Estate contracts are Month to Month.

### **Tenant Qualifier: \$80.00 / APPLICANT**

*If you don't want a manager, but you are interested in protecting your property by weeding out risky tenants, Tenant Qualifier is what you need. With Tenant Qualifier - we will check credit with signed rental application, review the application and credit check and offers suggestions for strengths and weaknesses of the potential tenant. The best way to protect your investment is by finding the right tenants.*

# Boomerang Real Estate Services

## Real Estate Services

### Listing a Property:

Percentage charged based on sales price of the property.

#### Option #1

Boomerang Real Estate represents the SELLER	2.39%
The BUYER has NO representation	1.65%
SELLER is a client club member	-0.20%
<b>Total Cost</b>	<b>3.84%</b>

#### Option #2

Boomerang Real Estate represents the SELLER	2.39%
The BUYER has NO representation	1.65%
SELLER is NOT client club member	0.00%
<b>Total Cost</b>	<b>4.04%</b>

#### Option #3

Boomerang Real Estate represents the SELLER	2.39%
The BUYER has an agent to represent them	3.00%
SELLER is a client club member	-0.20%
<b>Total Cost</b>	<b>5.19%</b>

#### Option #4

Boomerang Real Estate represents the SELLER	2.39%
The BUYER has an agent to represent them	3.00%
SELLER is NOT a client club member	0.00%
<b>Total Cost</b>	<b>5.39%</b>

Boomerang Real Estate will not discuss price with BUYER or SELLER when the buyer is unrepresented - Option #1 & #2

### Buy a Property:

*SAVE MONEY - Only \$45 per home shown up to 0.75% of the purchase price and 2.25% of the purchase price.*

*I will negotiate and handle all paperwork. FREE list of homes.*

### CLIENT CLUB:

#### It is FREE and Easy to Join

*Visit [www.BoomerangRealEstate.com](http://www.BoomerangRealEstate.com) and fill out a simple form to receive a **DISCOUNT** off Listing Services.*

*Receive a regular email with market trend updates and reports as well as news regarding what is happening in Utah County Real Estate.*

#### BONUS SAVINGS FOR CLIENT CLUB MEMBERS:

Think you might sell for some crazy reason in the next 1 to 50 years - Sign up to be a **Client Club Member** and lock in the listing side commission that you will pay based on today's property value instead of the value of your property in the future.

#### SIGNIFICANT SAVINGS OVER THE LONG TERM

Example:

\$180,000 Today's value. Future value when you decide to sell \$203,500.  
Listing side commission will be based on \$180,000 rather than \$203,500.  
Savings \$514.65

### Lease Option:

*If you are worried your property won't sell or won't sell quick enough, I have completed several successful LEASE OPTIONS.*

*We also have property management services if you think real estate investing is right for you.*

## **BOOMERANG MARKETING PROGRAMS**

### **RMA Marketing Program - An inspired revolutionary idea or (REALTOR MARKETING ALLIANCE)**

*The last time I checked 70%-80% of all properties sold as posted on the Multiple Listing Service or MLS had both a listing agent and a buying agent. To me this means that approximately 75% of the agreed upon commission ought to be spent marketing to other real estate agents because that is where the results are coming from. If a newspaper ad was statistically producing 10% of the results, 10% of the marketing ought to be done in the newspaper.*

### **So how does RMA work?**

*In addition to offering an agent 50% of the agreed upon commission to bring a ready willing and able buyer, RMA goes one step more to motivate REALTORS to show and sell your property. RMA marketing compensates ALL agents who SHOW your property and providing feedback about what their buyer thought of your property.*

*EXAMPLES: If I had a \$250,000 listing. I would offer approximately \$1,200 of the agreed upon commission up to \$150 per agent to show and provide feedback about your property. If 10 agents showed the property each agent would receive \$120 referral fee for their efforts and for the feedback they would supply about your property.  
If 3 agents showed your property each agent would receive \$150 for their efforts and feedback about your property.*

**RMA is plain and simple a the BEST way to get RESULTS and SELL property.**

### **BANNER SIGNS:**

*Banner signs are larger than regular yard signs and draw attention to your property. The larger print makes remembering a phone number or website easy when driving by. Banner signs will draw attention to your property because they are different from the standard that has been in real estate for many years. Banner signs will help your property stand out from other properties being offered for sale.*

### **MLS:**

*The information and pictures from each listing added to the Multiple Listing Service or MLS is compiled and added to NEARLY every other local real estate company website in Utah as well as on MAJOR search engines and national real estate websites. If a buyer is looking for a property they will be able to find your property on one and or many websites.*

### **CLIENT CLUB e-mail:**

*I ask members of my client club to help me succeed in real estate by emailing them your property information and asking that if they can help me get your property sold. Joining the Client Club is FREE and easy and I would appreciate your help.*

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