

Consumer Guide to Written Buyer Brokerage Agreements in Illinois

What is a buyer brokerage agreement?

Pursuant to the Illinois Real Estate License Act, a brokerage agreement means an agreement between a brokerage company and a consumer for licensed activities, or the future performance of licensed activities, to be provided to the consumer in return for compensation or the right to receive compensation. All brokerage agreements must be in writing and may be exclusive or non-exclusive.

Why do I have to sign a buyer brokerage agreement?

As of Jan. 1, 2025, the Illinois Real Estate License Act requires that any brokerage company entering into a brokerage relationship with any person for the listing of property or for the purpose of representing any person in the buying, selling, exchanging, renting or leasing of real estate shall set forth the terms of that relationship in a written brokerage agreement. When you are working with a real estate professional, you will be required to enter into some form of written agreement concerning the services provided and any compensation that will be charged for those professional services rendered.

When do I need to sign the buyer brokerage agreement?

The agreement should be entered into between you and your agent, who is a REALTOR®, once you have determined the terms of your relationship but no later than touring a property with your agent, either in person or virtually.

May I negotiate the terms of the buyer brokerage agreement?

Yes. You should discuss the length of the agreement with your agent, the services that you would like to receive and the compensation that you will pay your agent. The compensation due to your agent is negotiable and not set by law. The agreed upon compensation must be clearly defined as a specific amount that can be determined, as opposed to being open-ended or a range.

I thought that the seller or the seller's brokerage always paid my agent? Has that changed now?

Not necessarily. While you are responsible for paying your own agent pursuant to the terms of your written agreement, your agent will discuss the options for you to request assistance for payment of that compensation. For example, you may negotiate with the seller through your purchase offer asking the seller to pay all or a portion of the compensation due to your agent.

May I take this agreement to my own attorney to review?

Of course, you may take this agreement to your own legal counsel for review and advice. This agreement is a contract, and you should have a complete understanding of the terms.

May I get out of this agreement after I have signed it?

This will depend on the terms of the agreement that you have signed. The agreement may allow you and your agent to change the terms if you both consent to the changes. If you want to change or terminate your agreement, you should speak with your agent to see if you can come to an agreement and document agreed amendments in writing. If you and your agent cannot agree on the changes or you want to terminate the agreement, you may need to consult with your own attorney.