

UNDERSTANDING THE BUYER–BROKER REPRESENTATION AGREEMENT

A simple guide for California homebuyers | October 2026

WHY AM I BEING ASKED TO SIGN?

California law requires a written buyer–broker representation agreement when a real estate agent represents a buyer. The agreement clarifies the services you will receive, the compensation terms, and how the relationship may end. California Civil Code § 1670.50 (AB 2992) took effect January 1, 2025.

WHEN DO I NEED TO SIGN?

Under California law, the agreement must be signed as soon as practicable, and no later than when you sign an offer to purchase. California regulations presume it is practicable to sign before an agent shows you a home in person or virtually. For agents subject to NAR/MLS practice requirements, a written agreement is required before touring a home together. You may visit an open house independently without signing with the listing agent. [1, 2, 3]

WHAT DOES THE AGREEMENT COVER?

- Services: Property searches, showings, market analysis, offer preparation, negotiations, and coordination through closing, as specified in your agreement.
- Representation: Whether the relationship is exclusive or nonexclusive, and its geographic or property scope, as written.
- Compensation: The amount or rate, when payment is due, and the circumstances in which you may owe it.
- Ending the relationship: Expiration, cancellation provisions, and any obligations that survive termination.

HOW IS MY AGENT PAID?

Real estate commissions are not set by law and are fully negotiable. Your agreement states the broker's compensation. A seller or listing broker may agree to pay some or all of that amount, but payment by another party is not guaranteed. Discuss any potential buyer shortfall before making an offer. Under applicable NAR rules, the buyer's broker cannot receive more than the compensation agreed to with the buyer. [3, 4]

HOW LONG DOES IT LAST?

For an individual buyer, the agreement generally may not exceed 90 calendar days under California's 2026 regulations (the law describes this as three months). It cannot renew automatically; renewal must be written, dated, and signed. Different term limits apply when the buyer is a corporation, LLC, or partnership. Read the specific cancellation and post-expiration terms before signing. [1, 2]

WHAT SHOULD I REVIEW BEFORE SIGNING?

Confirm the services, exclusivity, property or area covered, start/end dates, fee amount, who may pay it, when it becomes payable, and how the agreement can be canceled. You should also receive the California agency relationship disclosure before signing. [1, 5]

CALIFORNIA LAW & CONSUMER SOURCES

[1] California Civil Code § 1670.50 (AB 2992): [california.public.law/codes/civil_code_section_1670.50](https://leginfo.ca.gov/pub/00_01/civil_0001/civil_code_section_1670_50.html)

[2] 10 CCR §§ 2906.1–2906.3 (effective Jan. 1, 2026): dre.ca.gov/files/pdf/relaw/2025/AB2992_Title_10_CalCodeofRegs29061_29063.pdf

[3] California DRE buyer representation advisory: dre.ca.gov/Licensees/Advisories/Advisory_2024_11_14_Changes_to_Buyer_Representation.html

[4] NAR Consumer Guide to Written Buyer Agreements: [nar.realtor/the-facts/consumer-guide-to-written-buyer-agreements](https://www.nar.realtor/the-facts/consumer-guide-to-written-buyer-agreements)

[5] California Civil Code §§ 2079.14–2079.16 (agency disclosure).

This handout is general information, not a substitute for the signed agreement or legal advice. Review the specific form and consult your broker or attorney with questions.