

The Value of Buyer Broker Agreements in a Post-Settlement Real Estate Landscape

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Every buyer agent in Florida is now required to have a written Buyer Broker Agreement (“BBA”) in place before showing property. The concept of a written agreement between a buyer and their agent is not new; however, the requirement that every buyer’s agent have one in place before showings is, especially in Florida. And while it is easy to view this as one more compliance obligation, a well-handled BBA is actually one of the most effective tools available for earning a client’s trust before the first showing even happens.

What separates the agents thriving under these requirements from the ones still fumbling through the conversation is not the form itself. It is whether they understand what they are presenting, can walk a buyer through it with confidence, and can clearly articulate what they do, what it costs, and why it is worth it.

This article covers what changed, the forms available to help you comply, and how to use them in a way that sets you apart.

What Actually Changed

Effective August 17, 2024, the NAR settlement imposed several requirements on how REALTORS® work with buyers.

A written BBA must be signed before any touring activity. That includes in-person showings, virtual tours, and video walkthroughs, and the agreement must be in place before the first door opens; however, if you are representing only the seller in a transaction or sitting open house, a BBA is not required.

Compensation must be stated as an objectively ascertainable amount, meaning a specific dollar figure or a clear percentage of the purchase price. An agreement that says “I will accept whatever the seller or listing agent will pay me” is not compliant. The amount has to be definite enough that both parties know exactly what the agent will earn. And a critical point that buyers need to understand from the outset: under a BBA, the buyer is ultimately responsible for the broker’s compensation, even though the broker is authorized to negotiate for the seller or listing side to pay all or part of it.

Offers of compensation from the listing side are no longer displayed on the MLS. Compensation now must be negotiated directly between the parties and documented

separately. Those are two different things, and the gap between a conversation and a signed legal agreement is where compensation disputes live.

And the principle that appears on every form: compensation is fully negotiable, is not set by law, and there is no “normal” or “average” amount.

Before You Start: Two Questions to Ask

Before presenting a BBA to any buyer, two things should happen every time.

First, ask whether the buyer has already signed a BBA with another agent. Just like a listing agent should ask whether a property is already listed with another agent, it is an ethical obligation to ask the question. If the buyer is under an exclusive agreement with someone else, a second agreement creates a conflict, and potentially a compensation dispute, that nobody wants to sort out at the closing table. You cannot control whether a buyer tells you the truth, but you should always ask.

Second, check with your broker. Your brokerage may have its own BBA form, specific compensation policies, or procedures for how these agreements are presented and executed. Make sure your approach is consistent with your brokerage’s requirements and your professional and ethical obligations. When in doubt, please have that conversation with your managing broker.

Why the Agreement Matters

It is tempting to treat the BBA as paperwork you must get through before the real work starts; however, that is backwards. The agreement itself, and the conversation explaining it, is where your relationship gets built with your buyer. An agent who skips the explanation and goes straight to “sign here” has already shown the buyer what kind of experience to expect in this relationship.

Think about what a buyer gains from a well-presented BBA - they walk away from that first meeting knowing exactly what services you will provide, how long the relationship will last, and what compensation looks like.

For agents, the value is just as real because you invest significant time advising clients, researching properties, coordinating showings, negotiating terms, and managing deadlines. A signed agreement means that investment is documented and respected. It is also worth remembering that working with a buyer without a written BBA is not just a best-practice gap – it’s an MLS violation that can result in a fine.

The BBA is where you put your value in writing to your buyer.

The Forms: Choosing the Right Tool

NABOR's legal resources developed a suite of forms to help agents meet these requirements: two BBA forms, compensation agreements, and contract addenda.

The **Buyer Broker Agreement (Exclusive)** is the form for a committed, exclusive representation. It covers the broker's services, the brokerage relationship disclosure, the buyer's obligations (including exclusivity and the duty to refer all inquiries to the broker), the term, and the compensation. The Exclusive defaults to a 180-day term with a 90-day post-term protection window and covers Collier, Lee, and Charlotte counties if the scope is left blank. The buyer is ultimately responsible for the broker's compensation, but the broker is authorized to negotiate for the seller or listing side to pay all or part of it.

The **Buyer Broker Agreement (Property-Specific)** takes a narrower approach. Instead of a blanket exclusive relationship, it ties the agreement to specific properties (up to eight) identified on the form, with a 90-day default term and a 45-day protection window. This is a strong option for a buyer you have just met, someone who reached out about a particular property, or a situation where the buyer wants to work with you but is not ready for an exclusive commitment.

If the Exclusive is a marriage, the Property-Specific is dating. Both are real commitments with written terms, defined obligations, and agreed compensation, but the scope is different. Some relationships start with a Property-Specific and move to an Exclusive once the buyer has seen what you bring to the table. Others start exclusive from the beginning. The right choice depends on where the relationship is with your client.

Compensation Agreements: Solving the Enforcement Problem

With compensation no longer displayed in the MLS, imagine the following: you speak with the listing agent, and they confirm the seller is offering compensation to the buyer's broker. Maybe it is a phone call, maybe a text. The showing happens, the offer gets written and no agreement for compensation is executed at that time. Somewhere between contract and closing, the other side's recollection of that compensation conversation changes and you are facing a closing where your buyer must come out of pocket to pay your compensation.

Under Florida law, text messages are generally not considered enforceable agreements. Do you really want to test that question after you have invested months building the client relationship, identifying the right property, getting through inspections,

navigating financing deadlines, and coordinating a closing, only to be left standing at the altar on closing day with no signed compensation agreement to point to and buyer refusing to close?

The Broker Compensation Agreements turn these conversations into signed, legally enforceable documents.

The **Broker Compensation Agreement (Listing Broker to Buyer's Broker)** is for situations where the listing broker has agreed to compensate the buyer's broker at closing. The **Broker Compensation Agreement (Seller to Buyer's Broker)** covers direct seller-to-buyer's-broker arrangements, which are common with for-sale-by-owner transactions, new construction, or situations where the listing broker is not offering compensation.

Both require signatures from both sides and include the negotiability disclosure. One important constraint to keep in mind: you can never receive compensation from any source that exceeds the amount agreed to in the BBA. The BBA sets the ceiling.

Concessions vs. Compensation

Concessions and compensation are often confused, and the confusion is understandable - but they are not the same thing.

A seller concession is a credit from the seller to the buyer at closing, usually applied toward closing costs and prepaids. This can include your fee under a BBA because if the seller is not offering to pay it, it becomes another cost to the buyer at closing. Please remember that the broker can never collect more than the agreed compensation from all sources combined.

The **Addendum to Sales Contract — Concession** structures this at the contract level, with options to direct the seller's credit toward closing costs, toward the buyer's broker's compensation, or both. The compensation cap tied to the BBA is built into the addendum.

The Compensation Contingency: Keeping the Deal Moving

In practice, not every compensation arrangement is finalized before the contract is signed. Not all brokerages have compensation agreements ready to go ahead of time, and negotiations on that front do not always keep pace with the rest of the deal. But the buyer still needs to be protected, because under the BBA, the buyer is ultimately responsible for the broker's compensation. The **Addendum to Sales Contract — Compensation Contingency** was designed for exactly this situation.

The addendum makes the contract contingent on the seller delivering a signed compensation agreement, either Listing Broker to Buyer's Broker or Seller to Buyer's Broker, within a specified number of days after the effective date. If the seller delivers, the deal moves forward. If the seller does not, the buyer can terminate and get the deposit back.

This lets the buyer move forward with another offer while giving the seller a defined window to finalize the compensation arrangement. Your buyer is not left hoping the other side will follow through, and the deal does not stall while the compensation piece gets sorted out. This addendum keeps the transaction moving while making sure your buyer's exposure is addressed.

The Conversation Is Where You Stand Out

The best forms in the world will not help an agent who cannot explain them. If you treat the BBA conversation as part of your professional onboarding rather than a separate, awkward step you must get through before the real work begins, your buyers will feel the difference.

Understand why buyers are skeptical - for most of them, this is the first time anyone has told them they are responsible for paying their agent. That is a significant shift from how buyers have historically understood the process, and it is natural for them to have questions, concerns, or outright resistance. The agents who acknowledge that directly and explain how compensation works—who pays, how it flows, and what the realistic scenarios look like—are the ones who turn that skepticism into confidence. Glossing over it is the fastest way to lose your client's confidence before the relationship even starts.

The approach matters. Listen to what your buyer is asking and tailor the explanation to their level of experience. A first-time buyer needs a different conversation than a repeat investor.

When a buyer asks why they need to sign an agreement, the best response is the simplest: "This tells you exactly what I am going to do for you, what it costs, and how I get paid. No surprises." Not only is that a legal requirement, it is also one of the strongest relationship-building moments you will have with a client. If you can deliver that sentence with conviction, you have already separated yourself from the agents who treat the BBA like an apology.

For buyers who are not ready for a full commitment, the Property-Specific agreement is a natural starting point. Keep it simple: limited scope, limited duration, a chance for the buyer to see your work before deciding on an exclusive relationship.

Be direct about compensation. Walk through the scenarios: listing broker pays, seller pays directly, buyer covers any shortfall, or some combination. Reinforce that the amount is negotiable.

Making It Consistent

Build the agreement into your initial consultation alongside the conversation about what the buyer is looking for and how the process works. Make it part of your standard approach so that every client gets the same professional experience.

Use language the buyer will understand. If they do not fully grasp what they are signing, that is on you, not the form. Walk through the key terms, answer questions, and give them time to read. A BBA presented in a driveway sixty seconds before a showing tells the buyer it is a technicality. A BBA presented in a consultation tells them it is a professional relationship.

There is a real difference between an agent who can walk a buyer through every provision with confidence and one who is clearly reading it for the first time alongside the client. The first builds trust. The second makes the buyer wonder what else you are figuring out as you go.

These requirements do not begin and end with the NAR settlement.

The Bigger Picture

Investing in understanding the BBA forms and mastering the conversation pays off. It shows up in stronger client relationships, smoother closings, and the kind of referrals that come from buyers who felt informed and respected from the very first meeting.

The requirement is the same for every agent in Florida. The agreement is the baseline. What you do with it—how you explain it, how you present your value, how you earn the client's confidence before the first showing—that is what sets you apart.

A 3-hour CE course covering Buyer Broker Agreement and Broker Compensation Agreement forms is available through NABOR. Contact NABOR for upcoming class dates.