



K-NOTES

The Ins and Outs of Standardized Real Estate Agreements

“ So they have these preprinted forms here, and brokers are allowed to fill them out. But they can only be changed or edited by attorneys. ”



Jim Lowry
Attorney

Multi-Board Residential Real Estate

Standardized Contracts

A good contract is an essential part of any residential real estate transaction. While in some states agents can draft their own sale agreements, a 1966 Supreme Court case determined that these must be written by an attorney in the state of Illinois. This decision led to a standardized form used in the Chicago area that is intended to streamline the process, protect buyers and ease the legal burden on attorneys.



“ In the attorney world, this is a multi-board real estate contract that’s been approved by both attorneys and the brokers — a lot of the managing brokers and big players in the Chicagoland area.”

Key Takeaways

- ➔ **Benefits of a Standardized Contract**
These uniform agreements streamline the legal process across different industries but have been known to bring about more problems than solutions. In residential real estate, standardized forms are intended to ensure all home sales are guided by the same fair and legal process.
- ➔ **Included Fixtures**
The buyer and seller must agree to these inclusions or exclusions prior to closing. This ensures there are no surprises or discrepancies, especially if items that will be removed prior to the sale are still in the home when it is toured.
- ➔ **Illinois Requires Attorneys**
Illinois does not allow real estate brokers to draft their own contracts; many other states do. Brokers in Chicago and the rest of the state need to take a different approach to develop fair and transparent residential real estate agreements between buyers and sellers.
- ➔ **What Does it Include**
This preprinted document replaced real estate brokers’ previous ability to start and edit a contract from scratch. This type of contract provides a consistent and in-depth record of the specific terms associated with a particular sale. It describes the responsibilities of the seller, broker, and other parties throughout the sale process.