

Before You Get The Keys



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For many homebuyers, the excitement of finding the right property often centres on the listing price and negotiating an offer. Whether it's a character home in a mature neighbourhood or a newer build on the edge of the city, the focus naturally lands on what the home costs. What's less visible, and sometimes underestimated, are the closing costs and "hidden" expenses that come with completing the purchase.

In today's Brandon market, well-priced properties can move quickly and above asking price, buyers need to look beyond their down payment and mortgage approval. Closing costs in Canada typically range between 1.5 and 3 per cent of the purchase price. On a \$350,000 home, that could mean an additional \$5,000 to \$10,000 due around closing time. Planning for these expenses in advance can make the difference between a smooth possession day and unexpected financial stress.

In Manitoba, a lawyer is required to complete the transaction, conduct a title search, register the transfer of land, and ensure all funds are properly distributed. Legal fees and disbursements commonly total between \$1,000 and \$2,000, depending on the complexity of the transaction. These services protect the buyer's ownership rights and ensure there are no outstanding claims or issues attached to the property.

A home inspection is another important cost to factor in. While not mandatory, it is strongly recommended. Inspections typically range from \$400 to \$700 and can uncover different issues such as roofing concerns, plumbing problems, or outdated electrical systems. In Brandon, where many homes have decades of history and character, an inspection provides valuable peace of mind. Spending a few hundred dollars upfront can prevent thousands in unforeseen repairs after possession.

Lenders will often require an appraisal to confirm the home's value supports the mortgage amount. Appraisals generally cost a few hundred dollars and are arranged through the lender. If a buyer is putting less than 20 per cent down, mortgage default insurance will also apply. This premium is usually added to the mortgage itself, so homeowners do not incur the fee upfront.

Manitoba's land transfer tax is another major closing cost. This tax is calculated on a sliding scale based on the purchase price and can amount to several thousand dollars on an average-priced home. Buyers are also responsible for adjustments, which may include reimbursing the seller for prepaid property taxes or utility bills. Depending on the closing date, these prorated amounts can add to the funds required on possession day.



Insurance is another piece of the financial puzzle. Before the lender releases mortgage funds, buyers must provide proof of home insurance. In many cases, the first year's premium is paid upfront. While this is a standard requirement, it is sometimes overlooked in early budgeting conversations.



Beyond formal closing costs, there are additional expenses that can surprise buyers. Moving costs vary widely depending on distance and services required. Utility hookups, internet installation, and changing locks are small expenses individually, but they add up quickly. New home owners might want to purchase additional furnishings, landscaping improvements, or minor repairs that weren't priorities during the negotiation stage.

Working with Cheryl Campbell of RE/MAX Valleyview Realty ensures that these costs are clearly outlined from the beginning. By discussing estimated closing expenses early in the process, Cheryl helps buyers budget realistically and move forward with clarity. Purchasing a home is one of the most significant investments many people will ever make. Knowing what to expect, beyond the purchase price, helps turn possession day into a celebration rather than a financial scramble.



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