



YOUR HOME-BUYING ROADMAP

FIRST-TIME HOME BUYER

Checklist & Guide

Your budget, requirements and closing costs, all in one place.



Financial Foundation

STEP 1

- ☐ **Determine your total budget:** Compare income against non-housing debts to find a comfortable monthly payment.
- ☐ **Establish your down payment:** Decide exactly how much you can place upfront (minimums below).
- ☐ **Get pre-approved:** Meet a bank or broker to lock in a maximum loan amount and interest rate.
- ☐ **Set aside an emergency fund:** Keep 3 to 6 months of living expenses separate from your down payment.



Property Requirements

STEP 2

- ☐ **Must-haves:** Bedrooms and bathrooms, proximity to work, transit links, structural soundness.
- ☐ **Nice-to-haves:** Finished basement, modern finishes, a larger yard, garage space.
- ☐ **Property type:** Detached, semi-detached, townhouse or condo (factor in condo fees!).

3 Minimum Canadian Down Payment Rules

The federal rules are tiered strictly by the home's purchase price.

\$500,000 or less

5%

of the entire purchase price

A \$400,000 home needs
\$20,000 down

\$500,001 to \$1,499,999

5% + 10%

5% on the first \$500K, 10% on the balance above it

A \$750,000 home needs
\$50,000 down

\$1,500,000 or more

20%

flat, on the full price. Mortgage default insurance is not available

A \$1.5M home needs
\$300,000 down

Down payments under 20% require CMHC mortgage default insurance (see page 2).

Build Your Down Payment with the Tax-Free FHSA

The First Home Savings Account combines the best of an RRSP and a TFSA.

\$8,000

annual contribution limit

\$40,000

lifetime contribution limit

Tax-free

qualifying first-home withdrawals

- **Tax-deductible contributions** work like an RRSP, lowering your taxable income. Unused room carries forward (up to \$8,000), so you can contribute up to \$16,000 in one year.
- **Stack it with the RRSP Home Buyers' Plan** to boost your down payment further. Ask us how the two work together.
- **Who qualifies:** a Canadian resident aged 18 or older who has not lived in a home they (or their spouse) owned in the current or previous four calendar years.

Program rules can change. Confirm current FHSA limits and eligibility with the CRA or your financial institution.



FIRST-TIME HOME BUYER

Insurance, closing costs & closing day

4 CMHC Mortgage Default Insurance

In Canada, if your down payment is less than 20%, mortgage default insurance (such as CMHC) is mandatory. It protects the lender, but the cost is passed to you and rolled into your mortgage balance.

DOWN PAYMENT	LOAN-TO-VALUE	PREMIUM (% OF LOAN AMOUNT)
5.00% to 9.99%	90.01% to 95.00%	4.00%
10.00% to 14.99%	85.01% to 90.00%	3.10%
15.00% to 19.99%	80.01% to 85.00%	2.80%
20.00% or more	80.00% or lower	0.00% <i>No insurance needed</i>

Note: Homes priced at \$1,500,000 or above require a full 20% down payment and are not eligible for CMHC insurance. In Ontario, Quebec and Saskatchewan, provincial sales tax (PST) on the CMHC premium must be paid in cash at closing.

5 Anticipating Closing Costs

BUDGET AN EXTRA

1.5% - 4%

of the purchase price
in upfront cash

☐ Land Transfer Tax (LTT)

A tier-based percentage of your purchase price. First-time buyers may qualify for rebates.

☐ Legal Fees & Disbursements

Paid to your real estate lawyer for title registration and transfer of funds (approx. \$1,500 to \$3,000).

☐ Title Insurance

Protection against title defects, fraud or zoning issues; typically required by lenders (approx. \$300 to \$600).

☐ Home Inspection

Professional evaluation of the home before closing (approx. \$400 to \$700).

☐ PST on CMHC Premium

If applicable, this tax cannot be rolled into your mortgage.

☐ Tax & Utility Adjustments

Reimbursing the seller for prepaid property taxes or utilities beyond closing day.

6 What to Expect on Closing Day

Legal ownership officially transfers to you.

1

Fund Transfer

Your lender sends the mortgage funds to your lawyer, and you provide the remaining down payment and closing costs by bank draft.

2

Deed Registration

Your real estate lawyer registers the home in your name and secures title insurance.

3

Key Handover

Once registration completes (usually mid to late afternoon), your lawyer or agent contacts you to collect the keys!



Ready to start your home search?

Book your free first-time buyer consultation. Let's turn this checklist into a plan.

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