

STEPS FOR FIRST TIME HOME BUYERS



1. CONTACT ME

Buying your first home starts with a conversation. Whether you're ready to buy next month or just starting to think about it, I'll help you understand your options, and build a personalized plan.

2. SEE IF YOU QUALIFY AS A "FIRST TIME" HOME BUYER

Different levels of government have different definitions of "first time" home buyer. For Federal programs such as the Home Buyers plan that allows you to use money from your RRSP - as long as you have not owned a home in the past 4 years you are eligible. For the Ontario Land Transfer Tax however, you cannot have owned a home anywhere in the world in order to be eligible for a rebate on the tax.

3. UNDERSTAND HOW YOU GET APPROVED FOR A MORTGAGE

In Canada, lenders rely on the "Mortgage Stress Test" to qualify purchasers for a mortgage. The stress test compares your monthly income and debt payments.

I can help you plan your budget so that your stress test ratios get you the mortgage you want.

4. THE SMART WAY TO SAVE FOR A DOWN PAYMENT

A great way to save is by using the First Home Savings Account (FHSA) and the RRSP Home Buyers' Plan. These two programs offer major tax advantages:

FHSA: Save up to \$8,000/year (max \$40,000 total) tax-free—you get a tax refund and don't pay tax when you withdraw the money to buy your first home.

RRSP Home Buyers' Plan: Withdraw up to \$60,000 per person from your RRSP tax-free to put toward your down payment. You repay it gradually over 15 years.

A couple can combine these programs to access up to \$200,000 (with tax refunds along the way), giving your savings a serious boost.

I'll show you how to structure your savings plan to take full advantage of these benefits—even if you're just getting started.

5. PLAN FOR YOUR DEPOSIT

Deposits are around 5% of the purchase price. You will need this money available when your offer is accepted - it is sent to the seller within 24 hrs. The deposit is considered part of your down payment

NEXT STEPS

6. GET PRE-APPROVED

A pre-approval makes your offer stronger in a competitive market. I'll walk you through what's needed and get this done quickly and accurately.

7. BUDGET YOUR CLOSING COSTS

These typically add up to 1.5% to 2% of the purchase price and include:

- Land transfer tax (first-time buyers get a rebate!)
- Legal fees
- Title insurance
- PST on mortgage insurance premiums if you have less than 20% down payment

I'll help you map out your total budget so there are no surprises and you know exactly how much to have on hand on your closing day

8. ASSEMBLE YOUR TEAM

You'll want a trusted realtor, real estate lawyer, home inspector, and insurance provider. It also can be helpful to have an accountant and a financial advisor on your side. I'll connect you with trusted reliable professionals –no pressure, just options.

9. SHOP SMART

With your financing lined up and your team in place, you're ready to view homes that actually fit your budget and goals. I stay in the loop to make sure everything stays on track.

10. BID WITH CONFIDENCE

When you find the right place, your pre-approval and solid financing plan give you a competitive edge.

But remember: property tax, heating costs, and condo fees are all factored into the mortgage stress test calculation. If you're working with me, you get "live budgeting" –that means when you're ready to make an offer, just send me the details for property tax, heat, and condo fees, and I'll tell you the maximum price you can offer while still getting approved.

11. OFFER ACCEPTED!

Your realtor will transfer your deposit to the seller's agent. At this point, we submit the full mortgage application along with your documents for final approval. But don't worry—because we did the heavy lifting during your pre-approval, most of the work is already done.

12. CONDITIONAL APPROVAL

After your application is accepted, your mortgage goes into conditional approval. This means the lender has agreed to finance the purchase as long as specific conditions are met.

For example a 90 day history of the money used for your down payment. When working with me, we will have this information ready for the lender and speed through the conditions.

13. CLOSING DAY!

Your lawyer will transfer your down payment and the mortgage funds to the seller and you get the keys to your new home!