EVERYTHING MORTGAGES

First Time Home Buyer's Guide

Ontario Edition

📘 2026 EDITION

Your simple, step-by-step roadmap to buying your first home — whether it's a resale property or a brand new build.

What's Inside

A quick reference guide to help you navigate your first home purchase with confidence.

Welcome, Future Homeowner! 🏡

Buying your first home is one of the biggest and most exciting decisions you'll ever make. It can also feel overwhelming — but it doesn't have to be.

This guide breaks down the entire process into simple steps, whether you're buying a resale home or a brand-new build directly from a builder. We've included the money-saving programs available to you as a first-time buyer in Ontario, real examples, and a checklist so you don't miss a thing.

> 💡 **DID YOU KNOW?**
> As a first-time home buyer in Ontario, you could save **over $30,000+** through government rebates and programs. This guide shows you how.

Who Qualifies as a "First-Time Home Buyer"?

In Canada, you're generally considered a first-time home buyer if:

- ☐ You have **never owned a home** anywhere in the world
- ☐ Your spouse/partner has never owned a home while being your spouse/partner
- ☐ You are a **Canadian citizen or permanent resident**

Part 1: Buying a Resale Home

> A resale home is an existing property being sold by its current owner. This is the most common type of purchase for first-time buyers.

Step-by-Step Process

1. **Get Pre-Approved for a Mortgage**

   Before you start house hunting, know what you can afford. A pre-approval locks in a rate for 90-120 days and shows sellers you're a serious buyer.

2. **Find a Real Estate Agent**

   Work with a licensed agent who knows your target area. They'll help you find listings, make offers, and negotiate on your behalf.

3. **House Hunt & Make an Offer**

   When you find the right home, your agent will prepare an Agreement of Purchase and Sale (APS). This is a legally binding contract.

4. **Conditions Period (Usually 5-10 Business Days)**

   Your offer typically includes conditions: **financing** (mortgage approval), **home inspection**, and sometimes **appraisal**. Use this time to complete your due diligence.

5. **Finalize Your Mortgage**

   Once conditions are waived, your mortgage broker finalizes the loan. You'll sign commitment papers and provide your down payment to your lawyer.

6. **Hire a Real Estate Lawyer**

   Your lawyer handles the title search, prepares closing documents, and ensures the property is legally transferred to your name.

7. **Closing Day 🎉**

   Your lawyer registers the home in your name, the funds are transferred, and you get the keys! Typically 30-90 days after your offer is accepted.

Ontario Land Transfer Tax Rebate (Resale)

When you buy a home in Ontario, you pay a provincial **Land Transfer Tax (LTT)** at closing. As a first-time buyer, you may be eligible for a rebate of up to **$4,000**.

If you're buying in **Toronto**, there's also a municipal LTT — and first-time buyers can get an additional rebate of up to **$4,475**.

📋 **EXAMPLE: LAND TRANSFER TAX ON A $600,000 RESALE HOME**

Outside Toronto: Provincial LTT = ~$8,475. After first-time buyer rebate ($4,000), you pay ~$4,475.

In Toronto: Provincial + Municipal LTT = ~$16,950. After both rebates ($4,000 + $4,475), you pay ~$8,475.

Key Tips for Resale Buyers

💡 **INSIDER TIPS**

Always get a home inspection — it typically costs $400-$600 but can save you thousands by catching hidden problems.

💡 **INSIDER TIP**

Your deposit is NOT your down payment. The deposit (usually 3-5% of the purchase price) is held in trust by the listing brokerage and counts toward your down payment at closing. You'll pay the remaining balance to your lawyer before closing day.

⚠️ **WATCH OUT**

Don't make major financial changes between pre-approval and closing — no new car loans, job changes, or large purchases. This can jeopardize your mortgage approval.

Resale Home — Quick Timeline

Stage	Typical Timeframe
Pre-approval	1-3 days
House hunting	2 weeks – 3+ months
Offer & negotiation	1-5 days
Conditions period	5-10 business days
Closing	30-90 days after accepted offer

Part 2: Buying a New Construction Home

> Buying directly from a builder is a different process than buying resale. Here's what to expect when purchasing a brand-new home.

Step-by-Step Process

1. **Get Pre-Approved for a Mortgage**

   Just like resale, start with a pre-approval so you know your budget. Builders often require proof of financing.

2. **Visit Builder Sales Centres**

   Research builders, visit model homes, and review floor plans. Take your time comparing different projects and locations.

3. **Sign the Purchase Agreement**

   The builder's agreement is much more detailed than a resale APS. You'll choose your lot, model, and any upgrades. You have a **10-day cooling-off period** to cancel without penalty.

4. **Deposit Structure (Spread Over Time)**

   Unlike resale, builder deposits are usually paid in installments over several months — for example, 5% at signing, 5% in 30 days, 5% in 90 days, and 5% in 180 days (varies by builder).

5. **Construction Period (1-3+ Years)**

   The builder constructs your home. You may have a **Pre-Delivery Inspection (PDI)** to walk through the home and note any deficiencies before closing.

6. **Finalize Your Mortgage (60-90 Days Before Closing)**

   Since rates may have changed, you'll get a new mortgage approval closer to occupancy. Your broker will shop for the best rate at that time.

7. **Closing Day / Occupancy Day 🎉**

   For condos, there may be an **interim occupancy** period where you move in but don't own the unit yet (you pay occupancy fees instead of a mortgage). For houses, you typically close and own on the same day.

HST Rebate — The Big Savings on New Builds 💰

New construction homes are subject to **HST (13%)**. However, as a buyer, the builder typically includes the HST in the purchase price and assigns the HST rebate back to you (or keeps it to offset the price).

Here's what you need to know:

Rebate	Details
Federal GST Rebate (5%)	Up to **$6,300** on homes priced up to $350,000. Partial rebate up to $450,000. No rebate above $450,000.
Ontario PST Rebate (8%)	Up to **$24,000** on all new homes regardless of price (75% of Ontario portion of HST, capped at $24,000).

📋 **EXAMPLE: HST REBATE ON A $650,000 NEW BUILD CONDO**

Purchase price: $650,000 (HST included). The builder assigned the HST rebate into the purchase price. Since the home is over $450,000, you get the **Ontario rebate only ($24,000)** — no federal rebate. This is already factored into the price.
Key: If you DON'T move in as your primary residence, you may have to **pay back the rebate** — which could be $24,000+!

⚠️ **IMPORTANT: MUST BE YOUR PRIMARY RESIDENCE**

To qualify for HST rebates, you (or an immediate family member) must move in as the **primary residence within one year** of closing. If you rent it out or don't move in, you'll owe the rebate back to CRA.

Builder Development Charges & Extra Costs

New builds often come with additional costs that resale homes don't have:

- ☐ **Development charges / levies** — can be $5,000 - $30,000+
- ☐ **Utility connection fees** (hydro, water, gas meter)
- ☐ **Upgrades** (flooring, cabinets, fixtures — adds up fast!)
- ☐ **Landscaping / fencing** (often not included)
- ☐ **Condo: Interim occupancy fees** (monthly payments before final closing)

💡 **INSIDER TIP**

Read the builder's agreement carefully — have your real estate lawyer review it during the 10-day cooling-off period. Pay special attention to capped vs. uncapped development charges.

Your Down Payment Toolkit

As a first-time buyer, you have access to powerful government programs to help you build your down payment faster.

🏦 FHSA (First Home Savings Account)

The FHSA is a registered account that lets you save for your first home with **tax-deductible contributions** and **tax-free withdrawals**.

Annual Limit	$8,000/year
Lifetime Limit	$40,000
Tax Benefit	Contributions are tax-deductible (like RRSP)
Withdrawals	Tax-free when used for a qualifying home
Can Carry Forward?	Yes, up to $8,000 unused room

📊 RRSP Home Buyers' Plan (HBP)

Withdraw from your RRSP **tax-free** to buy your first home. You must repay it over 15 years.

Max Withdrawal	$60,000 per person
Repayment	Over 15 years (starts 2nd year after withdrawal)
Tax Benefit	No tax on withdrawal if repaid on schedule
Couples	Each person can withdraw $60,000 = $120,000 total

📋 **EXAMPLE: SARAH & JAMES — FIRST-TIME BUYERS**

Sarah has been saving in her FHSA for 3 years: **$24,000**. James has **$40,000 in his RRSP** through the Home Buyers' Plan.

Together, they have **$64,000** from these programs alone — enough for a **10%+ down payment on a $600,000 home**, plus some savings for closing costs.

And Sarah got a tax deduction on every dollar she contributed to her FHSA!

💡 **PRO TIP: USE BOTH PROGRAMS TOGETHER!**

You can use **both** the FHSA and RRSP HBP at the same time. A couple could access up to **$200,000** in tax-advantaged savings (2 × $40,000 FHSA + 2 × $60,000 RRSP). Open your FHSA now even if you're not buying soon — the earlier you start, the more you can save.

Minimum Down Payment in Canada

Purchase Price	Minimum Down Payment
Up to $500,000	5% of purchase price
$500,001 – $1,499,999	5% of first $500K + 10% of the rest

$1,500,000+	20% minimum (no mortgage insurance available)

Closing Costs Breakdown

> Budget approximately **1.5% of the purchase price** for closing costs. Lenders will require proof of these funds on top of your down payment.

Resale Home Closing Costs

Cost	Estimated Amount
Legal Fees (lawyer + disbursements)	$1,500 – $2,000
Land Transfer Tax (after first-time buyer rebate)	Varies (see pg. 4)
Title Insurance	$300 – $500
Home Inspection (before closing)	$400 – $600
Appraisal Fee (if required by lender)	$0 – $500
Property Tax Adjustment	Varies by closing date

New Construction Closing Costs

Cost	Estimated Amount
Legal Fees (usually higher for new builds)	$2,000 – $3,000
Land Transfer Tax (after first-time buyer rebate)	Varies (see pg. 4)
Title Insurance	$300 – $500
Builder Development Charges / Levies	$5,000 – $30,000+
Utility Connection Fees	$500 – $2,000
Tarion Warranty Enrollment Fee	~$600 – $1,200

📋 EXAMPLE: ESTIMATED CLOSING COSTS ON A $600,000 HOME

Resale (outside Toronto): Legal ($1,800) + LTT after rebate ($4,475) + Title Insurance ($400) + Inspection ($500) ≈ **$7,175**
New Build (outside Toronto): Legal ($2,500) + LTT after rebate ($4,475) + Title Insurance ($400) + Dev Charges ($10,000) ≈ **$17,375**

⚠️ BUDGET SMART

New construction closing costs are typically **much higher** than resale due to builder development charges. Always ask your builder for a full breakdown of closing costs BEFORE signing.

💡 LENDER REQUIREMENT

Most lenders require proof that you have **1.5% of the purchase price** available for closing costs, in addition to your down payment. Make sure these funds are in your account and documented.

Document **Checklists**

Gather these documents early to avoid delays. Your mortgage broker and lawyer will need them at different stages.

📋 For Your Mortgage Application

- ☐ Government-issued photo ID (2 pieces)
- ☐ Most recent pay stub(s)
- ☐ Letter of employment (position, salary, start date)
- ☐ Last 2 years of T4s / Notice of Assessments
- ☐ If self-employed: 2 years of T1 Generals + financial statements
- ☐ 90 days of bank statements (all accounts)
- ☐ Proof of down payment source (FHSA, RRSP, savings, gift letter)
- ☐ Proof of closing cost funds (1.5% of purchase price)
- ☐ Credit card statements / loan statements
- ☐ Signed Agreement of Purchase and Sale
- ☐ MLS listing for the property (resale)

📋 For Your Lawyer (at Closing)

- ☐ Government-issued photo ID
- ☐ Signed mortgage commitment
- ☐ Down payment funds (certified cheque or wire)
- ☐ Void cheque for mortgage payments
- ☐ Home insurance policy (binder letter)
- ☐ First-time buyer LTT rebate affidavit

📋 Extra for New Construction

- ☐ Builder's purchase agreement
- ☐ Builder's statement of adjustments
- ☐ PDI (Pre-Delivery Inspection) report
- ☐ Tarion warranty certificate
- ☐ Proof of builder deposit payments
- ☐ HST rebate assignment form (if applicable)

💡 **STAY ORGANIZED**

Create a dedicated folder (physical or digital) for all your home-buying documents. Label everything clearly and keep copies of everything you sign. Your future self will thank you!

Ready to Get Started?

> You've got the knowledge — now let's put it into action. We're here to help you every step of the way.

Book Your Free Consultation

Whether you're 3 months or 12 months away from buying, the best time to start planning is **now**.

Get your free pre-approval today!

📞 Call or Text: 416-840-6368 ✉️ info@everythingmortgages.ca

🌐 everythingmortgages.ca

About Everything Mortgages

At Everything Mortgages, we believe everyone deserves a smooth path to homeownership. We specialize in helping first-time buyers navigate the mortgage process with confidence — from your very first questions to getting the keys to your new home.

Whether your situation is straightforward or complex, our experienced team works with multiple lenders to find you the right mortgage solution. We offer **free pre-approvals**, help with **credit improvement**, and pride ourselves on making the process simple, transparent, and stress-free.

🤝 **WHAT WE OFFER**

✓ **Free mortgage pre-approvals** — know what you can afford with no obligation
✓ **Credit building & improvement** — we help you get mortgage-ready
✓ **Complex situations welcome** — self-employed, new to Canada, bruised credit
✓ **Access to 50+ lenders** — we shop the market to get you the best rate

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