



BUILDING COMMUNITIES SINCE 1981

## **Resource Centre**

### **First Time Buyers**

Congratulations, you have taken the first step towards making your dream of home ownership a reality. This is an exciting time in your life and we want to make it easy and enjoyable. Our reps will be more than happy to answer any question or direct you to the proper experts for advice.

### **First is Location**

Many people feel that price is the first factor and although it is important, location is the most important part of home ownership. You must decide where you want to live and then decide if the next factor what type of home do I want and what can I afford.

### **Now What Type of Home Do I Want?**

In today's market the type of home might be as confusing as the size of home. Remember there are many types, detached, semi-detached, townhome, and high-rise condo. Price will be the deciding factor at times as if you choose to be in a specific neighbourhood the price will dictate the type of home.

### **What Can I Afford?**

We make this easy for you can go to our mortgage calculator it will give you some guidance as to the what you can afford. This is only a guideline and the best way to know is come into our sales office and speak to our onsite mortgage specialist and/or our sales person. Remember to also include a number of closing cost which are associated with the purchase of a home. These costs would include legal fees, title insurance, land transfer tax, mortgage insurance. View [Mortgage Affordability Calculator](#)

### **First Time Home Buyers' Tax Credit**

Program: First-time home buyers may be eligible for a 15% income tax credit for closing costs. Here is how it works: In order to help first time home buyers with the costs related to the home the first-time home buyers is entitled to receive a first time home buyer's credit (FTHBC) The First-Time home Buyer's credit provides you the first time home owner with a 15% credit to a maximum of \$5,000 of home purchase cost (some costs would be legal costs, land transfer tax, etc. This means that you will get a tax relief of approximately, \$750.00 For more information on this contact Service Canada at 10800-622-6232 or visit them on line at [www.fin.gc.ca](http://www.fin.gc.ca)

### **RRSP Home Buyer's Plan**

If you buy a qualifying home together with your spouse or other individual, each of you can withdraw up to \$25,000. Here is how it works –You will be able to withdraw up to \$25,000 per person from your RRSP's to purchase a principal residence. This mean you and your spouse can have a total of \$50,000 which you can withdraw. You are unable to withdraw from your RRSP under the HBP if you or your spouse owned the home more than 30 days before the date of withdrawal. Home buyers withdrawing funds do not have to pay income tax on the amount withdrawn, as long as the funds are repaid into an RRSP in the future. Your banker will be able to assist you with the procedure or you can contact Canada Customs and Revenue Agency 1-800-959-8281, New Home RRSP Plan.

### **Down payment and Deposit Insurance**

You can purchase with as little as 5% down, from personal or other sources. Now for the details: Mortgage insurance is available for 95% mortgages for both first time home buyers and for repeat home buyers. In order to qualify the Buyers using the Program must qualify for a five-year fixed-rate mortgage regardless of what term they choose. Insurance premium on loans for 95% of the lending value of the house where 5% down payment comes from personal sources will be 2.75 per cent of the mortgage loan. Insurance premium on loans for 95 per cent of the lending value of the house here the five percent down payment comes from other sources will be 2.9 percent of the mortgage loan. Premiums can be added to the mortgage amount. There are a number of other guidelines and the you can get more information by calling CMHC at 1-800-668-2642 or access through the web at [www.cmhc.ca](http://www.cmhc.ca)

### **Closing Costs**

Costs in addition to the purchase price of the home, such as legal fees, land transfer fees and disbursements, are all payable on closing day. You will have to budget from 1.5% to 4% of a home's selling price

### **Land Transfer Tax**

First time buyers of new and re-sale homes are eligible to receive rebates of the provincial and Toronto Land Transfer tax. The maximum provincial land transfer tax (LTT) rebate for first time buyers is \$2,000 and a maximum Toronto LTT rebate for first time buyers is \$3,725. A full rebate of the Toronto land transfer tax is also available to all buyers who entered into Agreement of Purchaser and Sale prior to December 31, 2007.

### **First Time Buyer's Resources**

Here are a few links to some of our partners happy to provide you with the tools and information you need to make this exciting and important buying decision.

[Tarion](#)

[CMHC](#)

[Everything You Need](#)

### **For More Information:**

Provincial Land Transfer Tax – Ontario Ministry of Finance – 1-800-263-7965

Toronto Land Transfer Tax: City of Toronto – 416-338-0338