SEAN KADY
REAL ESTATE HOMEWARD BROKERAGE

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FIRST-TIME BUYER HANDBOOK

Ontario & Greater Toronto Area Buyer's Guide

Your Step-by-Step Purchase Roadmap: Navigating the Greater Toronto Area market as a first-time buyer requires strategic financing, local neighborhood insight, and clarity on government tax incentives. This reference outlines key rebates, mandatory closing costs, and the offer process.

Key First-Time Buyer Programs & Rebates

FEDERAL SAVINGS PROGRAM

First Home Savings Account (FHSA)

Contribute up to $8,000 yearly ($40,000 lifetime). Contributions are tax-deductible and qualifying home withdrawals are completely tax-free.

RETIREMENT WITHDRAWAL

Home Buyers' Plan (RRSP HBP)

Eligible buyers can withdraw up to $60,000 from their RRSP tax-free to allocate toward their down payment, repayable over a 15-year schedule.

PROVINCIAL CREDIT

Ontario Land Transfer Tax Rebate

Eligible first-time buyers receive a refund of up to $4,000 on Ontario provincial transfer tax, deducted automatically at closing by your lawyer.

TORONTO MUNICIPAL BENEFIT

Toronto Municipal Rebate (MLTT)

Purchases within the City of Toronto qualify for an additional Municipal Land Transfer Tax rebate up to $4,475 (providing up to $8,475 in combined tax relief).

UP TO $500,000

5% Minimum

Standard minimum down payment; requires default mortgage insurance (CMHC/Sagen).

$500,000 TO $999,999

5% on 1st $500k + 10%

Tiered down payment formula; balance portion above $500k requires 10%.

$1,000,000 AND ABOVE

20% Minimum

Conventional uninsured mortgage required on properties priced at or over $1M.

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FINANCIAL PREPAREDNESS

Budgeting for GTA Closing Costs

In addition to your down payment, buyers must budget **1.5% to 4.0% of the property purchase price** for transactional closing costs. The following breakdown outlines standard expenses due on or before completion day:

EXPENSE ITEM	ESTIMATED COST	PURPOSE & DETAILS
Ontario Land Transfer Tax	Sliding scale (0.5% – 2.5%)	Provincial transfer tax based on tiered property value; offset by up to $4,000 first-time rebate.
Toronto Land Transfer Tax	Sliding scale (0.5% – 2.5%)	Applies strictly within City of Toronto municipal boundaries; eligible for up to $4,475 rebate.
Legal Fees & Disbursements	$1,500 – $2,500 + HST	Lawyer handles title registration, statement of adjustments, mortgage registration, and closing.
Title Insurance	$400 – $800	Mandatory lender requirement protecting against title fraud, boundary disputes, and existing liens.
Independent Home Inspection	$450 – $750	Crucial review of roofing, foundation, HVAC, electrical panels, and plumbing systems.
Status Certificate (Condos)	$100 + Legal Review	Examines condo board financials, reserve fund health, ongoing litigation, and monthly fees.
Prepaid Property Adjustments	$500 – $1,500	Reimbursement to seller for prepaid municipal taxes, utilities, and common maintenance fees.

Your Core Advisory Team in Ontario

REPRESENTATION & STRATEGY

Hyperlocal Realtor®

Guides market evaluations, identifies off-market options, spots building defects, drafts protective conditions, and fiercely negotiates terms on your behalf.

FINANCING STRUCTURE

Mortgage Specialist / Broker

Structures pre-approval, locks interest rates, guides stress test limits, and secures full underwriting approval within your financing condition window.

The Legal Safeguard: Retain an experienced Ontario real estate lawyer early. Your lawyer reviews condo status certificates prior to firming up and calculates exact municipal and provincial land transfer tax exemptions to ensure you do not overpay at completion.

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TRANSACTION FLOW

The 6-Step Purchase Roadmap

1. **Written Mortgage Pre-Approval**
   Establish verified buying power and secure a 90 to 120-day rate hold before beginning active home tours.
2. **Neighborhood Consultation & Private Tours**
   Analyze sold comparables, property potential, and evaluate transit, community developments, and building reserve funds.
3. **Offer Formulation & Protective Clauses**
   Draft structured offers with necessary conditions for home inspection, condo status certificate review, and financing.
4. **Earnest Deposit & Condition Fulfillment**
   Deliver deposit (typically 5% in the GTA) within 24 hours of acceptance and fulfill due diligence before waiving conditions.
5. **Pre-Closing Walkthrough Inspections**
   Exercise contractual buyer visits prior to completion to verify condition, test mechanicals, and confirm agreed inclusions.
6. **Legal Signing & Key Handover**
   Sign legal documents, deliver closing funds draft, and receive your keys once Teranet registration completes.

Master Buyer Checklist

- [ ] Down payment and additional 2%–3% cash reserve saved in accessible funds
- [ ] FHSA opened and annual contribution maximized before year-end deadline
- [ ] Formal mortgage pre-approval in hand with stress test buffer calculated
- [ ] Eligibility confirmed for Ontario ($4,000) and Toronto ($4,475) LTT Rebates
- [ ] Home insurance binder confirmed and submitted to lender prior to closing

Ready to Plan Your Next Move?
Book a personalized, 15-minute first-time buyer strategy session.

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