

POWELL & GALLOP TEAM · ROYAL LEPAGE FRANK REAL ESTATE

First-Time Home Buyer Guide

Everything you need to know to buy your first home in Ontario, from saving your down payment to getting your keys.

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THE POWELL & GALLOP TEAM

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WELCOME

Your first home starts here.



Buying your first home is a big step, and it's normal to have a lot of questions. How much do I need to save? What can I afford? What happens after I make an offer?

This guide answers them in plain language. You'll learn how the process works, what it really costs, which government programs can help, and what to watch for along the way.

You don't have to figure it out alone. I'll walk you through every step, connect you with trusted mortgage, legal and inspection professionals, and make sure you feel confident before you sign anything.

Marie Trottier

REAL ESTATE BROKER

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STEP ONE

Are you ready to buy?

Check off what's true for you today. Anything left unchecked is a good place to start.

- ☐ I have steady income and expect it to continue
- ☐ I have savings for a down payment (at least 5%)
- ☐ I have extra savings for closing costs (plan for about 1.5% to 4% of the price)
- ☐ I know my credit score and have paid down high-interest debt
- ☐ I plan to stay in the area for at least five years
- ☐ I have an emergency fund for repairs and surprises
- ☐ I am comfortable with the monthly cost of owning, not just the mortgage
- ☐ I have talked to a mortgage specialist about pre-approval

Owning versus renting

- Each mortgage payment builds equity, money you keep when you sell.
- Your payment is predictable for your mortgage term, with no surprise rent increases.
- You can renovate, paint and make the space your own.

What owning adds

- Property tax, home insurance and utilities.
- Maintenance and repairs. Many owners set aside 1% to 3% of the home's value each year.
- Condo fees, if you buy a condo or condo townhouse.



KNOW YOUR NUMBERS

What can you afford?

Your lender looks at three things: your down payment, your income and debts, and a stress test.

1. Your down payment

HOME PRICE	MINIMUM DOWN
Up to $500,000	5%
$500,000 to $1.5 million	5% of the first $500,000, plus 10% of the rest
$1.5 million or more	20%

Example: on a $750,000 home, the minimum is $25,000 + $25,000 = **$50,000**.

2. Your income and debts

Lenders generally want your housing costs (mortgage, property tax, heat, and half of any condo fees) to be under about 39% of your gross income, and all your debt payments together under about 44%.

3. The stress test

You must qualify at the higher of 5.25% or your mortgage rate plus 2%. It makes sure you could still afford your payments if rates rise.

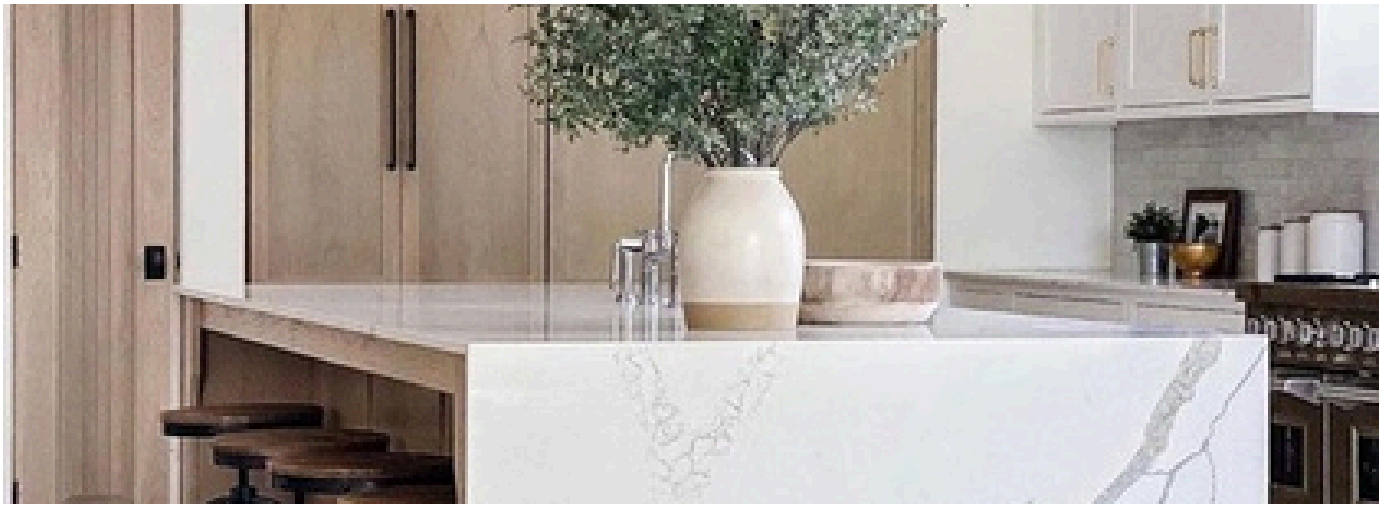
LESS THAN 20% DOWN?

Mortgage default insurance

Required with under 20% down. The premium is a percentage of your mortgage, added to the loan.

DOWN PAYMENT	PREMIUM
5% to 9.99%	4.00%
10% to 14.99%	3.10%
15% to 19.99%	2.80%

In Ontario, 8% sales tax on the premium is due at closing. First-time buyers can choose a 30-year amortization on an insured mortgage, for a small added premium.



SAVE MORE, PAY LESS

Programs that help first-time buyers

Several government programs are only for first-time buyers. Many people qualify for more than one.

01 First Home Savings Account (FHSA)

Save up to $8,000 a year, to a lifetime total of $40,000. Contributions are tax-deductible, and withdrawals for your first home are tax-free.

02 RRSP Home Buyers' Plan

Borrow up to $60,000 from your RRSP, tax-free, for your first home. You repay it to your RRSP over 15 years. You can use it together with an FHSA.

03 Ontario land transfer tax refund

First-time buyers can get a refund of up to $4,000, which covers the full tax on homes up to about $368,000. Your lawyer usually claims it at closing.

04 First-time home buyers' tax credit

Claim $10,000 on your tax return the year you buy, worth up to $1,500 in federal tax savings.

05 GST/HST rebates on new homes

Buying a newly built home? First-time buyers may get back up to $50,000 of the federal GST and up to $80,000 of Ontario's portion of the HST. Price limits and date rules apply.

06 30-year amortization

First-time buyers with an insured mortgage can spread payments over 30 years instead of 25, which lowers the monthly payment.

Who counts as a first-time buyer? Each program has its own rules. For example, the Ontario land transfer tax refund requires that you have never owned a home anywhere, while the FHSA and Home Buyers' Plan look at whether you've lived in a home you or your spouse owned in the past four years. Your lawyer and mortgage specialist will confirm what you qualify for.

Programs and amounts as of October 2026 and subject to change.

PLAN AHEAD

Closing costs, explained

Closing costs are paid on closing day, on top of your down payment. Here's an example for a first-time buyer.

EXAMPLE: $750,000 HOME, $50,000 DOWN

Ontario land transfer tax	$11,475
Less: first-time buyer refund	-$4,000
Sales tax on mortgage insurance 8% of the $28,000 premium	$2,240
Legal fees and disbursements Estimate	$2,000
Title insurance Estimate	$400
Home inspection Included with A Buyer's Choice	INCLUDED
Moving and setup Estimate	$1,500
Closing costs	**$13,615**
Down payment	$50,000
Total cash needed	**$63,615**

Estimates for illustration only. Property tax and utility adjustments, an appraisal fee and home insurance may also apply. Your lawyer will give you exact figures before closing.

What each cost is

- **Land transfer tax.** A provincial tax on every purchase. Homes in Stouffville, York and Durham don't pay Toronto's extra municipal tax.
- **Legal fees.** Your lawyer reviews the deal, searches title, registers the home in your name and handles the money.
- **Title insurance.** Protects you from issues like title fraud or survey problems.
- **Adjustments.** If the seller prepaid property tax, you repay your share.

Your $700,000 mortgage plus the $28,000 insurance premium means you'd borrow **$728,000**.



STEP BY STEP

Your path to the keys

Ten steps from your first question to your first night in your new home.

01 **Talk to me first**
We'll go over your goals, budget and timeline, and sign a buyer representation agreement.

02 **Get pre-approved**
A mortgage specialist checks your income and credit and holds a rate for you.

03 **Set your must-haves**
Decide what you need versus what would be nice. The questionnaire in my Home Buyer Guide helps.

04 **Start your search**
I'll send you listings that match and help you spot good value.

05 **Tour homes**
We visit homes together. I'll point out what matters for condition, layout and resale.

06 **Make an offer**
I prepare comparable sales and negotiate price and terms for you.

07 **Pay your deposit**
Usually due within 24 hours of acceptance. It goes toward your down payment.

08 **Inspection and financing**
Your included home inspection, plus final mortgage approval.

09 **Work with your lawyer**
Sign documents, arrange home insurance and send your closing funds.

10 **Get your keys**
The home is registered in your name. Welcome home!



WHO'S WHO

Your home-buying team

A few professionals help you buy a home. I'm happy to introduce you to people I trust.

Your Realtor® MARIE TROTTIER	Finds the right homes, prices your offer, negotiates for you and guides you from start to finish.
Mortgage specialist BANK OR BROKER	Gets you pre-approved, compares lenders and finalizes your mortgage.
Real estate lawyer REQUIRED IN ONTARIO	Reviews the deal, searches title, handles closing funds and registers your home.
Home inspector TREVOR, A BUYER'S CHOICE	Checks the home's condition so you know what you're buying. Included for my clients.
Insurance broker HOME INSURANCE	Your lender needs proof of home insurance before closing.

INCLUDED

Your home inspection is on us

Once your offer is accepted, your inspection by Trevor of A Buyer's Choice Home Inspections is included for clients with a signed buyer agreement. That's a cost you won't have to budget for.

a buyer's choice® HOME INSPECTIONS
Inspected Once. Inspected Right!



With the Powell & Gallop Team, six agents and brokers are behind your search, so someone is always available for a call or a showing.

CHOOSING A HOME TYPE

Condo, townhouse or freehold?

Each type of ownership has trade-offs. Knowing them helps you choose what fits your budget and lifestyle.

	CONDO OR CONDO TOWNHOUSE	FREEHOLD (DETACHED, SEMI, FREEHOLD TOWN)
What you own	Your unit, plus a share of the common elements	The home and the land it sits on
Monthly fees	Condo fees cover building upkeep, the reserve fund and often some utilities	None, but you pay for all upkeep yourself
Maintenance	The corporation handles exterior and shared areas	Roof, furnace, yard and everything else are yours
Rules	Bylaws and rules about pets, rentals and renovations	Fewer limits, besides town bylaws
Starting price	Often the most affordable way in	Usually higher, with more space

Buying a condo?

Make your offer conditional on your lawyer reviewing the **status certificate**. It shows the condo's finances, the reserve fund, any lawsuits and planned fee increases.

What about a POTL?

A **parcel of tied land** is a freehold home that shares some common elements, like a private road, for a small monthly fee. It's common in newer townhouse communities.



THE BIG MOMENT

Making an offer

An offer is a legal agreement once it's accepted, so it's important to understand each part before you sign.

What goes in an offer

- **Price.** Based on recent comparable sales, not just the list price.
- **Deposit.** Often around 5% in the GTA, usually due within 24 hours of acceptance and held in trust.
- **Closing date.** The day you get your keys, often 30 to 90 days out.
- **Conditions.** Things that must happen before the deal is firm.
- **Inclusions.** Appliances, light fixtures and anything else that stays.

Common conditions

- **Financing.** Time to get final approval from your lender.
- **Home inspection.** Time to inspect the home and review the report.
- **Status certificate.** For condos, time for your lawyer to review it.

Multiple offers

When several buyers want the same home, the seller may set an offer date. Some buyers make a firm offer without conditions to compete. That's only safe if your financing is solid and you've done your homework, like a pre-offer inspection. I'll help you decide.

After your offer is accepted

- Deliver your deposit.
- Complete your inspection and financing within the condition period.
- Sign a waiver once conditions are met, making the deal firm.
- Send the agreement to your lawyer and lender.

Don't change jobs, open new credit or make big purchases before closing. It can affect your mortgage approval.



SPEAK THE LANGUAGE

Words to know

Amortization
The total time to pay off your mortgage, such as 25 or 30 years.

Term
The length of your current mortgage contract, often five years. You renew at the end.

Fixed vs variable rate
A fixed rate stays the same for the term. A variable rate moves with the lender's prime rate.

Pre-approval
A lender's estimate of how much you can borrow, often with a rate hold.

Equity
The part of your home you own outright: its value minus what you owe.

Closing
The day ownership transfers and you get the keys.

Conditional offer
An offer that only becomes firm once conditions, like financing, are met.

Firm offer
An offer with no conditions. Once accepted, you're committed to buying.

Waiver
The document you sign to remove conditions and make the deal firm.

Status certificate
A condo document showing the corporation's finances and rules.

Title insurance
Insurance that protects against problems with the property's ownership records.

MLS®
The system Realtors® use to list and share homes for sale.



WORKSHEET

Your budget

Fill this in on your computer or print it. Bring it to our first meeting.

YOUR DOWN PAYMENT SAVINGS

Savings	$ _____
FHSA	$ _____
RRSP (Home Buyers' Plan)	$ _____
Gift from family Your lender will need a gift letter	$ _____
Other	$ _____
Total available	$ _____

YOUR TARGET

Pre-approved amount	$ _____
Comfortable price range	$ _____
Down payment	$ _____
Closing costs set aside	$ _____

ESTIMATED MONTHLY COSTS

Mortgage payment	$ _____
Property tax Divide the yearly amount by 12	$ _____
Home insurance	$ _____
Heat and hydro	$ _____
Water	$ _____
Internet and phone	$ _____
Condo fees If applicable	$ _____
Maintenance savings 1% to 3% of the price a year, divided by 12	$ _____
Total monthly cost	$ _____

Questions for our first meeting

LET'S TALK

Ready for your next move?

Call, text or email me anytime and we'll make a plan together.

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THE POWELL & GALLOP TEAM

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