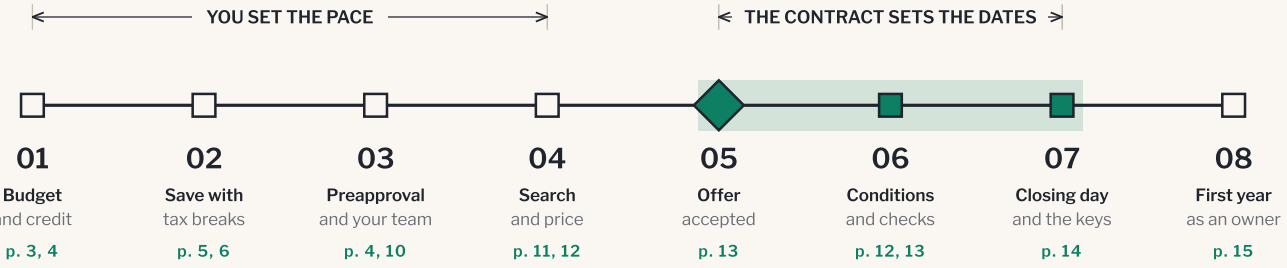
Buying your first home in Ontario

What you can borrow, the cash you need, the tax money you get back, and every step to the keys.



The whole purchase on one page

Until a seller accepts your offer, you set the pace. After that, the contract sets the dates and every step has a deadline. Read the order once before you book a single viewing.



FOUR NUMBERS TO KNOW BEFORE YOU START

5%

The **minimum down payment** on the first $500,000 of the price. Above $500,000 the minimum is 10%, and 20% from $1.5 million.

+2 pts

The **stress test**. You qualify at your mortgage rate plus two points, or 5.25% if that's higher.

$4,000

Ontario's **land transfer tax refund** for first-time buyers. Toronto adds up to $4,475 off its own tax.

0 days

The **cooling-off period** on a resale home. A firm offer binds you the moment the seller signs.

WHAT'S ON EACH PAGE

3	Should you buy yet: the time test and the monthly test
4	What a lender will lend you, and the stress test
5	Down payment, mortgage insurance and the 8% sales tax on the insurance
6	FHSA, Home Buyers' Plan, gifts and the $1,500 credit
7	Land transfer tax, once or twice, and the refunds
8	Buying new: up to all the HST back, and the warranty
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13	The offer: price, deposit, conditions, competing bids
14	From a firm deal to the keys
15	Your first year as an owner
16	Words you'll hear, ten mistakes, and tools

Your conditions are your only exit

Ontario gives no cooling-off period on a resale home. Once the seller accepts, you can walk away only through a condition written into the offer, such as financing or an inspection, and only before that condition's deadline. Decide what you need to check **before** you sign.

Run your own numbers first

What you can afford	canooq.ca/tools/mortgage-affordability
Renting or buying	/tools/rent-vs-buy-calculator
Monthly payment	/tools/mortgage-calculator
FHSA growth	/tools/fhsa-savings-calculator

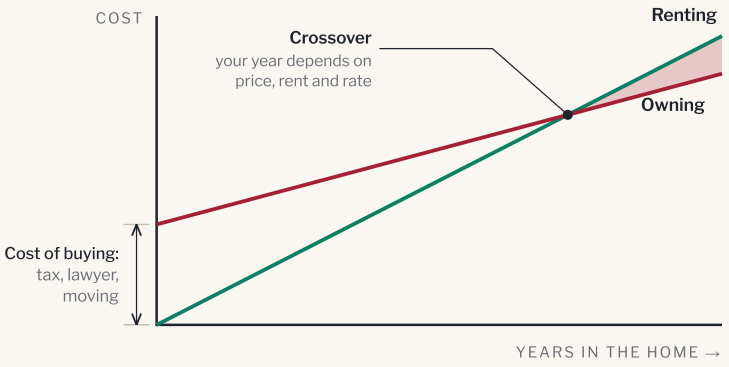
Should you buy yet?

Owning beats renting when you stay long enough to earn back the cost of buying and selling, and when the monthly bill still leaves room for the rest of your life. Pass both tests before you look at listings.

TEST 1: WILL YOU STAY?

Buying costs money twice. On the way in you pay land transfer tax, a lawyer, an inspection and movers. On the way out you pay an agent's commission, another lawyer and movers again. None of that comes back as equity.

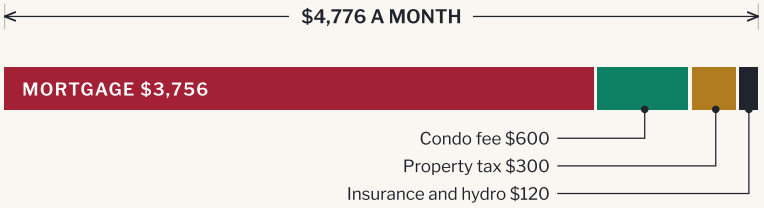
Part of each payment repays the loan, so owning slowly pulls ahead. Sell after two years and the buying and selling costs haven't had time to pay for themselves.



Shape only, not to scale

TEST 2: CAN YOU AFFORD THE MONTHLY COST?

Example: the $750,000 condo on page 9



Example: $695,925 mortgage at 4.25% over 25 years; fees and tax are round figures

The mortgage is just under four fifths of what this condo costs each month. Condo fees, property tax, insurance and hydro come on top, and both the fee and the tax can rise.

A freehold house has no condo fee, but the roof, furnace and water heater are yours to replace. Put a fixed amount aside for repairs from the first month, for example **$300**, and leave the repair fund alone.

Compare the total with your rent today. If owning costs more than your rent plus what you already save each month, your budget will be tight from the first payment.

SIGNS YOU'RE READY

- ☐ Two years of income you can prove with T4s, pay stubs or tax returns
- ☐ Down payment saved, plus closing costs, plus a cushion left over
- ☐ No credit card balance you carry from month to month
- ☐ You expect to stay in the area for five years or more
- ☐ You've priced the monthly cost, not only the purchase price

SIGNS TO WAIT

- ☐ The down payment would empty every account you have
- ☐ You're on probation in a new job
- ☐ A move, a new job or a baby is likely within two years
- ☐ You haven't checked your credit report this year
- ☐ The plan only works if prices go up

> Not sure which way the numbers fall? The **rent-vs-buy calculator** at canooq.ca/tools/rent-vs-buy-calculator compares both paths with your rent, price and rate, and the **monthly budget planner** at /tools/monthly-budget-planner shows what's left once the home is paid.

What a lender will lend you

Lenders run two ratios and one test on your income. The ratios cap what housing and debt can take from each paycheque. The test makes you qualify at a higher rate than the one you'll pay, so a rise at renewal doesn't sink you.

39% max

GDS · gross debt service

Mortgage payment, property tax, heating and half the condo fee, divided by your gross monthly income.

44% max

TDS · total debt service

Everything in GDS plus car loans, student loans, credit cards and lines of credit, divided by the same income.

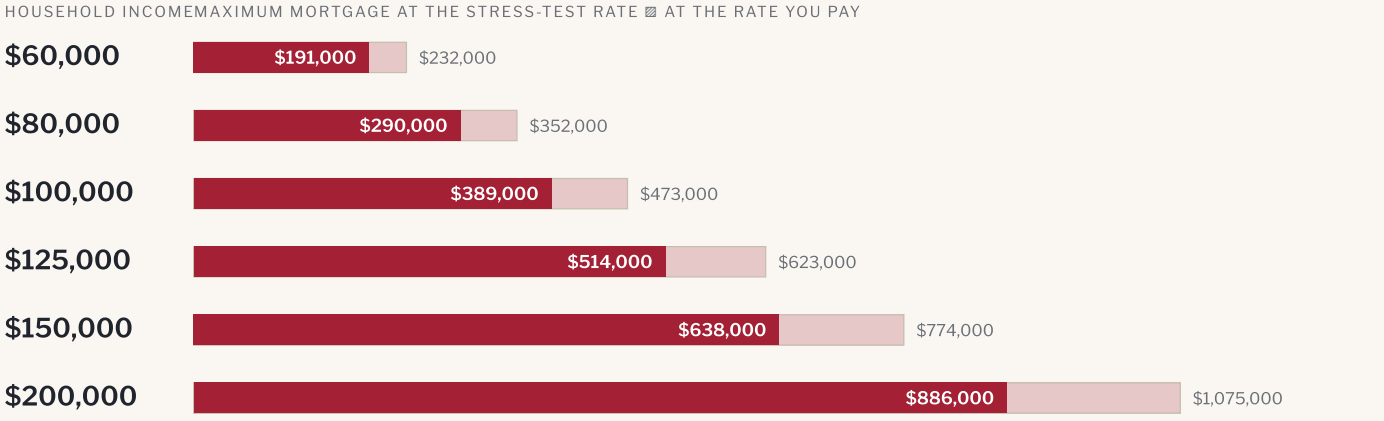
+2 pts

The stress test

You qualify at **the higher of 5.25% or your rate plus 2 points**. Offered 4.25%? The lender tests you at 6.25%.

HOW MUCH YOUR INCOME CAN BORROW

Example assumptions under the chart



Assumes 39% GDS, 25 years, qualifying at 6.25% (a 4.25% rate plus 2), property tax $300, heat $100 and a $600 condo fee a month, no other debts.

PREAPPROVAL IS NOT APPROVAL

1. **What a preapproval does.** A lender checks your income, debts and credit, gives you a price range and holds a rate for a set number of days. Ask how many. Sellers take an offer more seriously with one.
2. **What a preapproval doesn't do.** A preapproval doesn't approve the home. The lender still wants the signed offer, an appraisal, and for a condo the status certificate before the lender commits in writing.
3. **What can undo a preapproval.** A new car loan, a furniture plan, a job change, a missed payment, or a credit check for something else before closing. Change nothing until you have the keys.

Insured mortgages need at least one borrower with a credit score of **600** or more. A mortgage broker, licensed in Ontario by FSRA, can shop several lenders at once; a bank offers its own products.

PAYMENT PER $100,000

RATE	25 YEARS	30 YEARS
3.75%	$513	$461
4.25% offered	$540	$490
4.75%	$567	$519
5.25%	$596	$549
5.75%	$625	$579
6.25% tested	$655	$611

Multiply by your loan in hundreds of thousands. $695,925 at 4.25% over 25 years: 6.96 × $540 ≈ $3,756 a month.

> **Good to know at renewal:** if you move your mortgage to another federally regulated lender at renewal, without borrowing more or stretching the amortization, the regulator (OSFI) doesn't expect the new lender to stress-test you again. So you can move to a lender with a better rate without requalifying. Test your own ratios at canooq.ca/tools/mortgage-affordability.

Down payment and mortgage insurance

Put down less than 20% and your mortgage must be insured against default. You pay for that insurance, the premium is added to your loan, and in Ontario the sales tax on the premium is due in cash at closing.

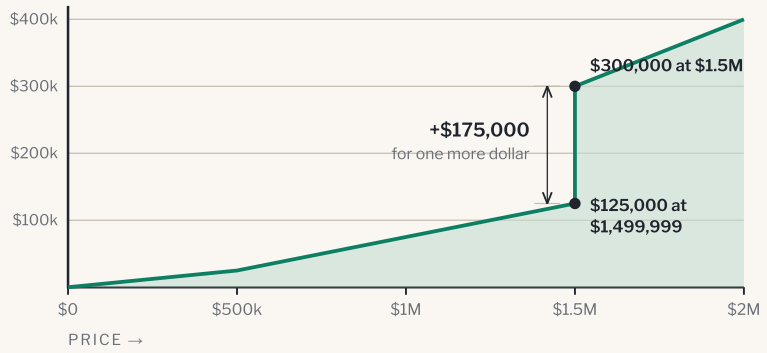
MINIMUM DOWN PAYMENT

PRICE	MINIMUM	EXAMPLE
Up to $500,000	5%	$450,000 → $22,500
$500,000 to $1.5M	5% of the first $500,000, then 10%	$750,000 → $50,000
From $1.5M	20%, no insurance available	$1.5M → $300,000

The down payment must normally come from your own savings, an FHSA or RRSP, the sale of a home, or a gift from a close relative.

THE CLIFF AT $1.5 MILLION

Minimum down payment by price



WHAT THE INSURANCE COSTS

DOWN PAYMENT	PREMIUM	ON A $675,000 LOAN
5% to 9.99%	4.00%	**$27,000**
10% to 14.99%	3.10%	**$20,925**
15% to 19.99%	2.80%	**$18,900**
20% or more	None	**$0**

The premium is a percentage of the loan, added to the mortgage and repaid with interest. The rates shown are CMHC's; your lender may use a private insurer instead. Insurance is only available on homes priced **under $1.5 million**.

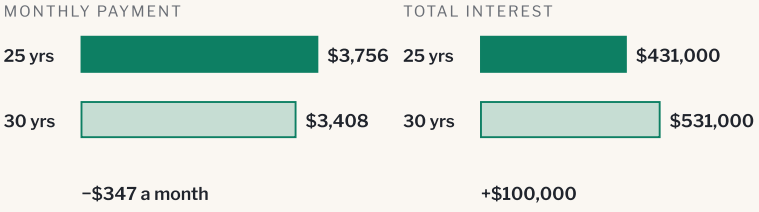
Ontario adds 8% tax on the premium, paid in cash

Ontario charges its 8% retail sales tax on mortgage insurance premiums, and the tax can't be added to the loan. Your lawyer collects the tax on closing day.

On the $20,925 premium above, that's $1,674 you need on top of the down payment. Quebec and Saskatchewan do the same; most other provinces don't.

30 YEARS INSTEAD OF 25

Same $695,925 loan at 4.25%, example



Same loan and rate, before the 0.20% premium surcharge on 30 years

First-time buyers, and anyone buying a newly built home, can take a **30-year amortization** on an insured mortgage. The insurer adds **0.20%** to the premium.

The longer amortization lowers the payment by about $347 a month and adds about **$100,000** of interest over the life of the loan. Take 30 years to get in the door if you must, then pay the loan down faster whenever your lender allows extra payments.

Tax breaks that build the down payment

Two accounts help a first-time buyer save with tax breaks, and both can go into the same home. A couple who fill all four can put $200,000 toward their first home.

$40,000 each

FHSA · First Home Savings Account

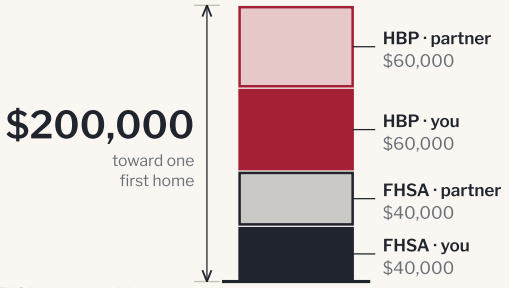
- **$8,000 a year**; up to $8,000 of unused room carries forward
- Room starts the year you open the account: open an FHSA now, even empty

$60,000 each

HBP · Home Buyers' Plan

- Money in the RRSP for under **90 days** may not be deductible
- Ask your RRSP provider for form **T1036**

A COUPLE, BOTH FIRST-TIME



FHSA: never repaid.
HBP: repaid to your RRSP over 15 years.

HOW THE MONEY MOVES

FHSA	**You put in** up to $8,000 a year	→	**Tax refund** contributions deductible	→	**Grows** tax-free
	→	**Withdraw** tax-free for the home	→	**Done** never repaid	
HBP	**RRSP savings** already in the plan	→	**Withdraw** up to $60,000, no tax	→	**Buy the home** by Oct. 1 next year
	→	**Repay** 1/15 a year, 15 years	→	**Skip a year** that part is taxed	

USING EITHER ONE FOR YOUR PURCHASE

- ☐ A **signed agreement** to buy or build before you withdraw; a preapproval doesn't count
- ☐ The home closes **before October 1** of the year after you withdraw
- ☐ You live in Canada and move in **within a year** of buying
- ☐ FHSA: give form **RC725** to your provider, in time for closing

WHEN HBP REPAYMENTS START

The **second year** after your first withdrawal: take money out in 2026 and the first repayment is for 2028. Each year's minimum, one fifteenth, is on your notice of assessment. First withdrawals from 2022 to 2025 start in the fifth year, and the April 2026 federal update proposes the same for first withdrawals up to 2028. That proposal isn't law yet.

"FIRST-TIME BUYER" MEANS THREE DIFFERENT THINGS

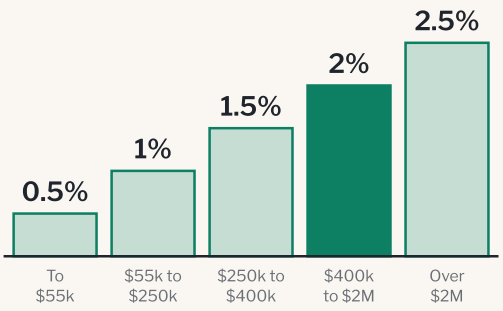
PROGRAM	YOU COUNT AS A FIRST-TIME BUYER IF…
FHSA, HBP, Home Buyers' Amount, new-home rebates	you didn't live in a home owned by you or your spouse this year or in the **four calendar years** before
30-year insured mortgage	you've never bought a home in Canada, **or** pass the four-year test, **or** your relationship recently ended
Ontario and Toronto land transfer tax refunds	you have **never** owned a home, or a share of one, **anywhere in the world**

> **Gifts from family count**, with a signed letter saying the gift is never repaid. **And claim $1,500** on your tax return for the year you buy: the Home Buyers' Amount, line 31270.

Land transfer tax, once or twice

Ontario taxes every home purchase when the deed is registered. Buy in the City of Toronto and the city charges a second tax on the same price. First-time buyers get part of both back, and the refunds are claimed on closing day.

ONTARIO'S RATES



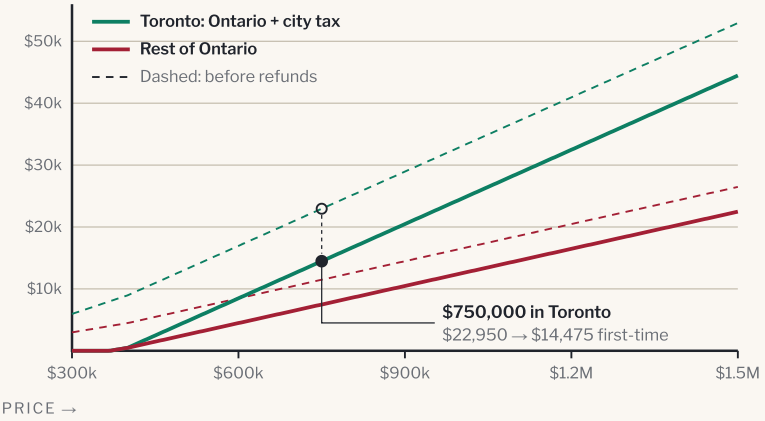
Homes with one or two single-family residences

Each rate applies only to the slice of the price inside its band. Above $400,000 there's a shortcut: **price × 2% − $3,525**.

Toronto uses the same bands up to $3 million. From April 1, 2026, Toronto's rates above $3 million run from 4.40% to 8.60%.

WHAT YOU PAY, BY PRICE

Tax after first-time refunds



THREE PRICES, WORKED OUT

PRICE	ONTARIO TAX	ONTARIO AFTER REFUND	TORONTO TAX	TORONTO AFTER REBATE	FIRST-TIME BUYER IN TORONTO PAYS
$500,000	$6,475	$2,475	$6,475	$2,000	**$4,475**
$750,000	$11,475	$7,475	$11,475	$7,000	**$14,475**
$1,000,000	$16,475	$12,475	$16,475	$12,000	**$24,475**

GETTING THE REFUNDS

- **Ontario: up to $4,000.** Covers the whole tax on a home up to $368,333.
- **Toronto: up to $4,475.** Covers the whole city tax up to $400,000.
- You're 18 or older and have **never owned a home** anywhere in the world; your spouse can't have owned one while with you.
- You move in **within nine months** of closing.
- Ontario: citizen or permanent resident, or become one within 18 months. Toronto: citizen or permanent resident.
- Your lawyer claims both when registering the deed. Missed the refund at closing? Apply within **18 months**.
- Buying with someone who isn't a first-time buyer? The refund shrinks to your share.

Land transfer tax is paid in cash on closing day

Your lawyer pays the land transfer tax when the deed is registered, out of the money you send the lawyer. The tax isn't part of your mortgage, so save for the tax with your closing costs from the start.

IF YOU'RE NOT A CITIZEN OR PR

Ontario adds a **25% non-resident speculation tax** on homes anywhere in the province, and Toronto a further **10%**. Ontario exempts provincial nominees, protected persons and people buying with a Canadian spouse, and refunds the tax if you become a permanent resident within four years. A federal ban on most non-Canadian buyers runs until **January 1, 2027**; people on a work permit with 183 days or more left can buy one home.

Buying new: HST back and the builder's warranty

A brand-new home carries 13% HST, and resale homes don't. Sign with a builder between April 1, 2026 and March 31, 2027 to live in the home yourself, and all of that HST can come back on a home up to $1 million, first-time buyer or not.

THREE WAYS TO GET THE HST BACK

On the home's price before tax

ANY BUYER · AGREEMENT APR. 1, 2026 TO MAR. 31, 2027

Up to 13%

Ontario's enhanced rebate returns the 8% provincial part, up to $80,000, and Ontario's **new home affordability payment** the 5% federal part, up to $50,000. All the HST back to $1 million, $130,000 back to $1.5 million, part of the HST to $1.85 million.

FIRST-TIME BUYERS · AGREEMENT MAR. 20, 2025 TO END OF 2030

Up to 13%

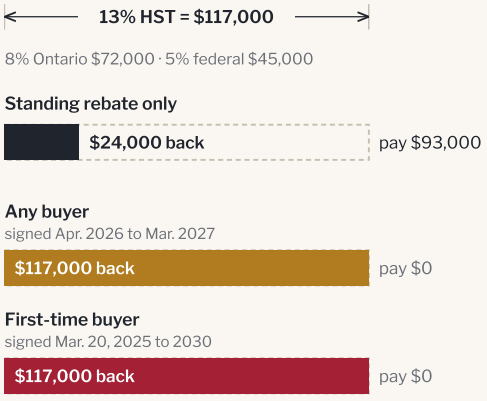
The **federal first-time buyer rebate** returns the 5% part, up to $50,000, and **Ontario's** the 8% part, up to $80,000. All the HST back to $1 million, phasing out to nothing at $1.5 million. You must be the first to live there.

EVERYONE ELSE BUYING NEW

$24,000

The standing **Ontario new housing rebate**: 75% of the 8% part, up to $24,000. Ottawa adds up to $6,300 under $450,000.

A $900,000 NEW TOWNHOUSE



Price before tax. Full relief to $1 million.

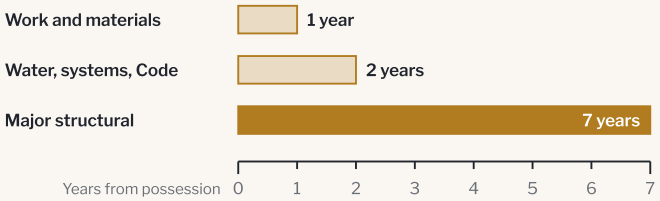
HOW THE MONEY REACHES YOU

A builder can credit the rebates on the agreement, so the rebates come off the price and you sign the rebate forms at closing. Read the price clause: **"HST included, net of rebates"** usually means the builder claims the rebates for you.

If the builder doesn't credit the rebates, apply to the CRA yourself with form **GST190** and the Ontario schedule **RC7190-ON**. Tick the consent box and the CRA passes your file to Ontario for the affordability payment.

The home must be your primary residence, or a relative's. Assignment sales qualify only if both agreements fall inside the window.

TARION: THE BUILDER'S WARRANTY



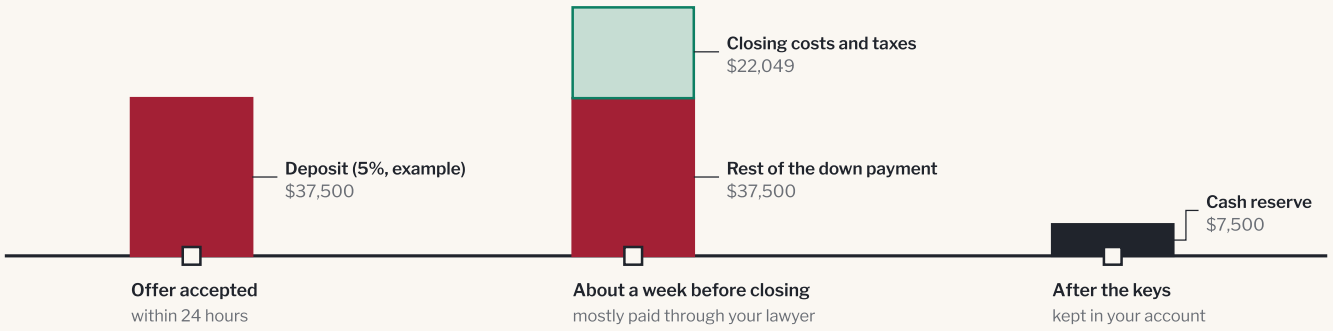
Deposits on a new freehold home are protected up to $60,000, or 10% of the price to $100,000 on homes over $600,000. Condo builders must hold deposits in trust; Tarion adds up to $20,000.

NEW CONDOS: THREE RULES TO KNOW

1. **Ten-day cooling-off.** After you get the signed agreement and the disclosure statement, you have 10 days to cancel for any reason and get your deposit back.
2. **Interim occupancy.** Move in before the building is registered and you pay the builder a monthly fee for interest, tax and common expenses. The fee doesn't reduce your price.
3. **Closing adjustments.** The agreement can add charges at closing, such as hook-ups and levies. Have your lawyer cap those charges before you sign.

The cash you need, line by line

The down payment is one of four piles of money, and each one leaves your account at a different time. Plan for all four before you make an offer.



Example deposit of 5%. Deposits are negotiable; the agreement states the amount.

WORKED EXAMPLE: A $750,000 CONDO, 10% DOWN, FIRST-TIME BUYER

Example quotes; yours will differ

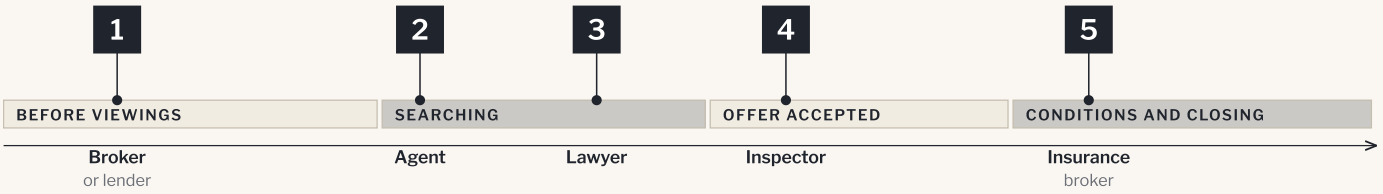
LINE	DETAILS	IN TORONTO	ELSEWHERE IN ONTARIO
Down payment	10% of the price, deposit included	$75,000	$75,000
Ontario land transfer tax	$11,475, less the $4,000 first-time refund	$7,475	$7,475
Toronto land transfer tax	$11,475, less the $4,475 first-time rebate	$7,000	$0
Sales tax on mortgage insurance	8% of the $20,925 premium	$1,674	$1,674
Lawyer	Fee, title search, registration, disbursements	$2,200	$2,200
Title insurance	One-time premium against title and survey problems	$400	$400
Home inspection	Condo unit; a house costs more	$500	$500
Status certificate	The condo's legal and financial file, capped at $100	$100	$100
Adjustments	Your share of tax and condo fees the seller prepaid	$900	$900
Home insurance	First payment, due before closing	$300	$300
Moving	Local movers, one truck	$1,500	$1,500
Cash reserve	A cushion for the first repairs and bills	$7,500	$7,500
Cash you need	**All of the above**	**$104,549**	**$97,549**

The mortgage: $695,925, the $675,000 loan plus the $20,925 premium. At 4.25% over 25 years that's **$3,756 a month**, which takes about $162,000 of household income to qualify.

Closing costs here, without the down payment and reserve, come to **$22,049**, or **2.9%** of the price. The FCAC suggests budgeting **1.5% to 4%**. Size your reserve at canooq.ca/tools/emergency-fund-calculator.

Who you hire, and in what order

Five people get you from a budget to the keys. Hire the five in this order so nobody holds up the next step: once a seller accepts your offer, every step has a deadline.



1. **Mortgage broker or lender, before any viewing.** A broker compares several lenders on one credit check; a bank sells its own mortgages. Brokers in Ontario are licensed by FSRA, are usually paid by the lender, and must tell you in writing how the brokerage is paid. Ask each one about the penalty for breaking the mortgage early and how much extra you can pay each year.
2. **Real estate agent, once you know your range.** Check the name on RECO's public register. To work for you, an agent must put a **buyer representation agreement** in writing: read the commission, the area the agreement covers, the end date and the "holdover" clause, which can still owe the agent a fee after the agreement ends.
3. **Real estate lawyer, before you write an offer.** In Ontario a lawyer licensed by the Law Society closes the deal: reviews the agreement, searches the title, arranges title insurance, registers the deed, pays the land transfer tax and claims your refunds.
4. **Home inspector, the day the offer is accepted.** Ontario doesn't license home inspectors: the province's Home Inspection Act was passed in 2017 but has never come into force. Ask for errors-and-omissions insurance, a sample report and a professional association membership, and go along to the inspection.
5. **Insurance broker, during the condition period.** Get a quote for the address before you waive conditions. Old wiring, an oil tank or past water claims can make a house expensive to insure, and no lender funds a mortgage without proof of insurance.

WHO PAYS YOUR AGENT

Commission isn't fixed by RECO or anyone else; you and your agent negotiate the rate. When a listing offers a commission to the buyer's brokerage, that commission comes out of the seller's proceeds. Your agreement says what **you** owe if that's less than your agent's fee, so ask before you view.

WHAT EACH ONE COSTS YOU

Example quotes

WHO	TYPICAL COST TO YOU	WHEN YOU PAY
Broker	Usually $0	The lender pays when the loan funds
Agent	$0 if the listing covers the fee	From the seller's proceeds
Lawyer	$1,800 to $2,500 with disbursements	At closing
Inspector	$400 to $800	On the day, whether you buy or not
Appraiser	$300 to $500 if the lender passes the fee on	Ordered by the lender

Never wire money on an email's say-so

Fraudsters fake a lawyer's email and send new account details days before closing. Call the law office on a number you looked up yourself and confirm the account out loud before you send a cent.

Finding a home and judging the price

An asking price is a seller's opening move, and an Ontario property assessment is still a 2016 value. Only recent sold prices for similar homes tell you what the home you like is worth.

WHERE TO LOOK

SOURCE	BEST FOR
REALTOR.ca	Every MLS listing, with alerts. Asking prices only.
Your agent	Sold prices, days on market, price history.
Sold-price sites	Sites such as HouseSigma show Ontario sold prices once you sign in.
MPAC AboutMyProperty	Property details and the assessed value, which is still a 2016 value.

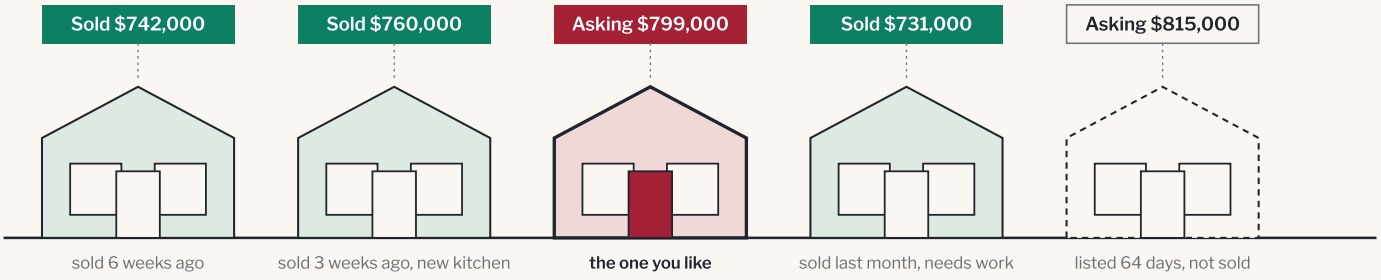
PRICE A HOME IN TEN MINUTES

1. Pull **three to five sold homes** from the last 90 days: same building, or the same few streets.
2. Match **type, size, floor, parking and condition**. Ignore staging; a two-bedroom on the 4th floor isn't the one on the 19th.
3. Check **days on market** and any price cuts. A listing sitting for 60 days is telling you something.
4. Watch for **underpricing**: a low asking price with an "offer night" is usually there to start a bidding war.
5. Write your **walk-away number** down before you see the home again.

HOW SOLD HOMES SET THE PRICE

Example

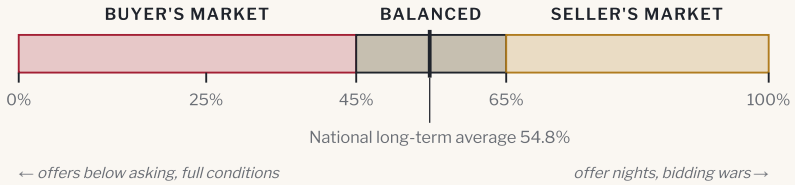
Example street of similar semis



Three sales say $731,000 to $760,000, and the unsold $815,000 listing says the street won't pay more.
An offer near $750,000 is backed by evidence; $799,000 is the seller's hope.

READING THE MARKET YOU'RE IN

Sales-to-new-listings ratio



Divide a month's sales by the month's new listings. The Canadian Real Estate Association treats roughly **45% to 65%** as balanced. Below 45%, buyers have the upper hand; above 65%, sellers do.

For scale: the average Greater Toronto home sold for **$993,410** in August 2026.

AT EVERY VIEWING

Look up and down

- Stains on ceilings, fresh paint in one spot
- Sloping floors, doors that won't close
- A musty smell in the lowest room

Run and open things

- Every tap, hot and cold, then flush
- Furnace, air conditioning, bathroom fans
- Under every sink for stains or a bucket

Step outside

- Ground sloping toward the walls
- Roof age, big trees near the foundation
- Noise: come back at 8 a.m. and 10 p.m.

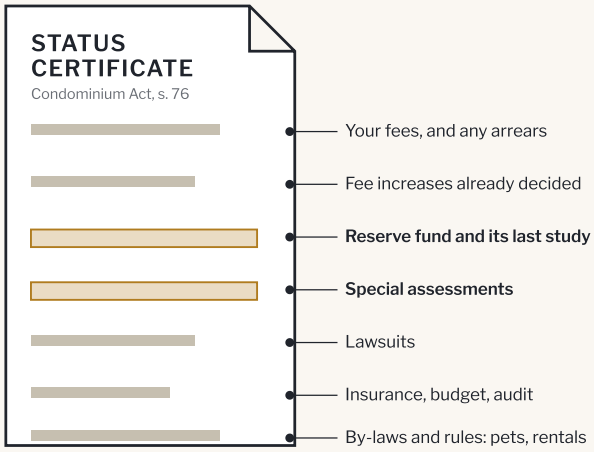
CREA (sales-to-new-listings ratio, Feb. 2026) · TRREB Market Watch (Aug. 2026) · MPAC · Canooq checklists

Checking the home before you're bound

Every check belongs inside the condition period, while you can still walk away. With a condo, the risks are in the paperwork; with a house, the risks are in the pipes, wiring and ground.

BUYING A CONDO: READ THE STATUS CERTIFICATE

Up to $100, delivered within 10 days



The condo corporation's official snapshot of the building and your unit. Make your offer **conditional on your lawyer reviewing the certificate**; the seller may already have a recent certificate, and anyone can order one.

The **reserve fund** pays for big repairs such as roofs, elevators and garages. A thin reserve in an older building can lead to a **special assessment**: a one-off bill to every owner.

Read two years of board minutes too: leaks and lawsuits show up there first.

BUYING A HOUSE: WHAT TO HAVE CHECKED

Wiring and heat

Knob-and-tube or aluminum wiring in older homes, a 60-amp panel, the furnace's age. Get the insurance quote before you waive conditions.

Water and ground

Grading, downspouts, a damp basement. A **sewer camera scope** on older lines, where tree roots and clay pipes cause backups.

Fuel and tanks

Any sign of an old **oil tank**, in use or buried: vent pipes, fill pipes, copper lines through the basement wall.

Rented equipment

Many Ontario homes rent the water heater or furnace. Ask for the contract and the buyout price; the contract usually passes to you with the home. Compare at canooq.ca/tools/water-heater-rent-vs-buy-calculator.

Permits and title

Ask the city for open permits and work orders. A finished basement with no permit on file is a question for the seller. Your lawyer checks title and easements.

Outside the city

A **well water test** and a **septic inspection**, plus the survey showing where the lot lines run.

> **Old liens on rented equipment are gone.** Since June 2024, companies can't register a notice of security interest on your title for a consumer rental such as a water heater, and old ones count as expired. The rental contract itself still binds you, so add the rental cost to your budget.

WALK-AWAY SIGNALS

- ☐ No inspection allowed, or no status certificate
- ☐ A special assessment voted, or repeated leaks in the minutes
- ☐ Unpermitted structural work, or permits never closed
- ☐ No insurer will quote, or only at a high price
- ☐ Pressure to firm up before your checks are done

The offer: price, deposit, conditions

Ontario resale offers are normally written on the standard OREA Agreement of Purchase and Sale. Every blank is a decision, and once the seller signs, each one is a promise.

THE BLANKS YOU FILL IN

TERM	HOW TO DECIDE
Price	From sold comparables and your walk-away number
Deposit	"Upon acceptance" means within **24 hours**. Held in trust, part of your down payment
Irrevocable	How long the seller has to answer
Conditions	Your exits, each with its own deadline
Title search	The last day your lawyer can raise title problems
Closing date	The day the home becomes yours. Avoid a Friday or a month-end if you can
Included	Appliances, blinds, light fixtures, rental items. Vague lists cause fights

THE CONDITIONS THAT PROTECT YOU

F **Financing.** Your lender approves this home in writing, after the lender's appraisal.

I **Inspection.** You're satisfied with a home inspection report.

S **Status certificate.** Your lawyer reviews the condo's file.

L **Lawyer's review.** Your lawyer approves the agreement itself.

H **Insurance.** You can insure the home at a normal price.

You choose how many days each runs, and the seller can push back. When every condition is met you sign a **waiver**, and the deal is firm.

FROM OFFER TO FIRM

Example: five business days of conditions



Example. You set the number of days in the offer; business days exclude weekends and holidays.

WHEN OTHER BUYERS WANT THE SAME HOME

- **Offer night:** the seller reviews every offer at a set time. Bring your best price; there may be no second round.
- **Bully offer:** a buyer offers early with a short deadline, hoping the seller won't wait.
- Every buyer with a written offer is told **how many** offers there are. Their details are shared only if the seller says so, and then with everyone.
- Thinking of dropping conditions? Inspect and get financing approved **before** offer night.

No cooling-off on a resale

An accepted offer on a resale home is a binding contract. Walk away from a firm deal and you can lose your deposit, and the seller can sue if the home then sells for less. A **new condo bought from the builder** is the exception, with a 10-day cooling-off period.

From a firm deal to the keys

Once you waive your conditions you're buying this home, and the work moves to your lawyer and your lender. Your job is to send the right money to the right account on time and to change nothing in your finances.



Weeks to months, set by the closing date in your offer. Stations not to scale.

1. **The day you firm up.** Send the signed waiver to your lender, lawyer and insurance broker. Your lender sends the mortgage instructions to your lawyer.
2. **Two to three weeks before closing.** Your lawyer searches the title and the city's records for unpaid taxes and work orders before the title search date. Arrange home insurance that starts on closing day and names your lender.
3. **About a week before.** Sign the mortgage and transfer documents at your lawyer's office with two pieces of ID. Read the **statement of adjustments** and ask about any line you don't recognise.
4. **One or two days before.** Send the balance of your down payment and closing costs to the lawyer's trust account, after confirming the account details by phone. If the agreement allows a final visit before closing, go.
5. **Closing day.** Your lawyer registers the deed electronically, pays the land transfer tax, claims your refunds and sends the money to the seller's lawyer. Keys are usually released that afternoon.

SET UP BEFORE YOU MOVE

- ☐ Home insurance that starts on closing day
- ☐ Hydro, gas and water in your name from closing day
- ☐ Internet booked three weeks ahead
- ☐ New address for ServiceOntario, the CRA, your bank and employer; mail forwarding with Canada Post
- ☐ Condo: move-in booking, elevator, fobs, parking
- ☐ Rental contracts you're taking over, in your name
- ☐ Mortgage payment date confirmed with your lender

IF SOMETHING GOES WRONG

A low appraisal, a seller who won't move out, a lender that pulls back a week before closing: tell your lawyer the same day. Your cash reserve covers a short delay while the problem gets fixed.

WHAT YOUR LAWYER SENDS BEFORE CLOSING

The statement of adjustments settles the account with the seller: the price, minus your deposit, plus your share of anything the seller prepaid, such as this year's property tax or this month's condo fee.

A summary of the funds adds the land transfer tax, the lawyer's fees and the other costs, and gives the one number to send. Check that total against your closing-cost savings a week ahead, not the day before.

YOUR FIRST MONTH AS AN OWNER

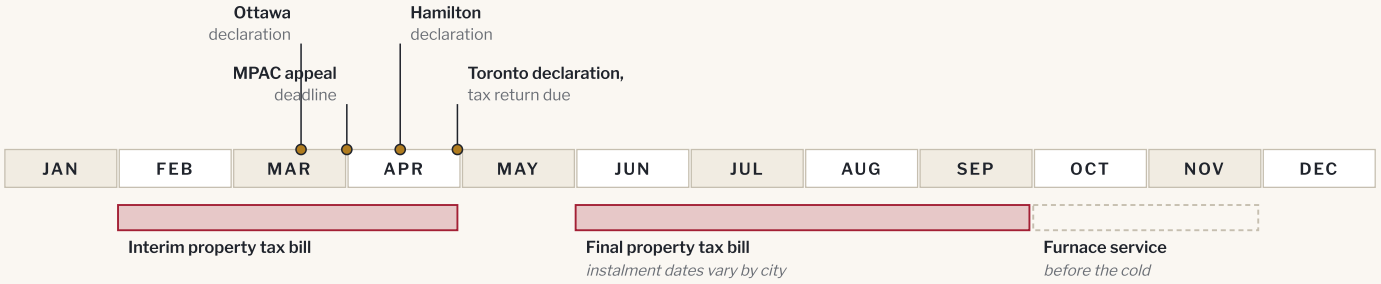
- ☐ Change the locks and the garage code
- ☐ Find and label the main water shut-off and the electrical panel
- ☐ Test every smoke and carbon monoxide alarm
- ☐ Start a file for manuals, warranties, permits and receipts
- ☐ Set up an automatic transfer to a repair fund on payday
- ☐ Note your property tax due dates and any HBP repayment year

Your first year as an owner

Owning has a calendar. Property tax bills, a vacancy declaration in some cities and your first tax return as an owner all have dates, and the tax return hands $1,500 back if you claim the Home Buyers' Amount.

THE OWNER'S YEAR

Dates for 2026; your tax bill shows your city's dates



HOW YOUR PROPERTY TAX IS WORKED OUT

Example

ASSESSED VALUE	×	TOTAL TAX RATE	=	PROPERTY TAX
$500,000 set by MPAC (a 2016 value)		**0.75%** city rate + provincial education rate		**$3,750 a year** about $313 a month

Example figures. Your city sets the tax rate each year; the tax bill shows the rate and your assessed value.

PROPERTY TAX

Your city sets the tax rate; MPAC, the province's assessment agency, sets your home's assessed value. Assessments for 2026 are still based on values at **January 1, 2016**, while Ontario reviews the system, so a 2016 number on your notice is normal.

Ontario cities usually send an interim tax bill early in the year and a final bill later. Your lender may collect the tax with your mortgage payment; ask, and if not, sign up for the city's pre-authorized plan.

Think your assessment is wrong? File a **Request for Reconsideration** with MPAC by **March 31** of the tax year, or within 120 days of a change notice.

Money back on your first return

- Claim the **Home Buyers' Amount**: $10,000 on line 31270, worth **$1,500**.
- Your FHSA provider sends a slip for the withdrawal. The withdrawal is tax-free but still goes on your return.
- FHSA contributions you didn't deduct yet can still be deducted this year or later.

DECLARE THAT YOU LIVE THERE

Toronto, Ottawa and Hamilton tax homes left empty, and every owner has to declare each year, including owners who live in the home. Skip the declaration and the city can treat your home as vacant.

CITY	TAX IF VACANT	2026 DEADLINE
Toronto	3% of assessed value	April 30
Ottawa	1%, more each year the home stays empty	March 19
Hamilton	1% of assessed value	April 15

KEEP THE PAPERWORK

- **For the CRA:** the agreement, the statement of adjustments, every FHSA and HBP form.
- **For the next buyer:** permits, receipts and warranties for anything you replace.
- **For your insurer:** dated photos from day one, and the age of the roof and furnace.

> **Your HBP bill comes later.** If you used the Home Buyers' Plan, the CRA shows the amount due each year on your notice of assessment. Pay that amount into your RRSP and designate the payment on Schedule 7, or the CRA adds the amount to your income.

REFERENCE

Words you'll hear, and ten costly mistakes

Twenty terms from offers, mortgages and closing papers, and ten mistakes that cost first-time buyers money.

GLOSSARY

AMORTIZATION Years to repay the whole loan: 25, or 30 for first-time buyers and new builds.

APPRAISAL The lender's own estimate of the home's value. A low one can shrink your loan.

CLOSING The day the deed is registered and the money changes hands.

CONDITIONS Clauses that let you cancel if something isn't satisfied by a set date.

DEPOSIT Money paid soon after acceptance, held in trust, part of your down payment.

FIRM A deal with no conditions left. You're bound to close.

FREEHOLD You own the building and the land, with no condo fees.

GDS / TDS Housing costs, and all your debts, as a share of gross income.

IRREVOCABLE The deadline for the seller to accept before your offer lapses.

LAND TRANSFER TAX Ontario's tax on buying, plus Toronto's own inside the city.

MORTGAGE INSURANCE Protects the lender if you stop paying. Required under 20% down.

MPAC The agency that values every Ontario property for property tax.

PREAPPROVAL A lender's price range and rate hold, before you pick a home.

REQUISITION A title problem your lawyer asks the seller to fix before closing.

RESERVE FUND A condo's savings for major repairs.

SPECIAL ASSESSMENT A one-off bill to condo owners when the reserve falls short.

STATEMENT OF ADJUSTMENTS The closing math: what you owe and what you're credited.

STATUS CERTIFICATE The condo's legal and financial file for your unit. Up to $100.

STRESS TEST Qualifying at your rate plus 2 points, or 5.25% if higher.

TARION Ontario's new-home warranty and deposit protection program.

TEN EXPENSIVE MISTAKES

1. Shopping at your preapproval maximum, not your take-home budget
2. Saving only the down payment, not the land transfer tax and the 8% on insurance
3. Opening an FHSA late and losing years of room
4. Pricing from the asking price or a 2016 assessment instead of sold homes
5. Firming up before the inspection, status certificate or written financing
6. Signing a buyer agreement without reading the agreement's end date and holdover clause
7. Financing a car or furniture between approval and closing
8. Missing the new-home HST window that closes on March 31, 2027
9. Forgetting the $1,500 Home Buyers' Amount on your first tax return
10. Wiring closing funds to account details that came by email

CANOOQ TOOLS FOR EACH STEP

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Payment and interest	/mortgage-calculator
FHSA savings	/fhsa-savings-calculator
HST rebate	/first-time-home-buyer-gst-hst-rebate-calculator
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