

6 HOME BUYING PROGRAMS & INCENTIVES IN CANADA

What is it

Are you eligible

Important Watchouts

- 5% downpayment
- Purchase + Improvement plan
- Land transfer tax rebate
- Home buyers plan
- First home savings a/c (FHSA)
- Home buyer tax credit

THE 5% DOWNPAYMENT

It's **NOT** a first-time home buyer incentive!
It's an **owner-occupied** incentive...

Buying to LIVE = 5%

Purchase price \leq \$999,999

Investment / Rental = 20%

Important Watchout

Everyone cannot qualify for 5%, even if you buy to LIVE (and is your first home)

CREDIT is important if you are new to Canada
[**NOT CREDIT SCORE**]

IT'S NOT REALLY 5%

- ✓ 5% on the first \$500,000
- ✓ 10% on balance

\$700,000
House

5% down = \$35,000

5% x \$500,000 = \$25,000

10% x \$200,000 = 20,000

Total Down = \$45,000

PURCHASE + IMPROVEMENT

What is it?

- ✓ Buying a house with renos / maybe an unfinished basement
- ✓ Get up to \$100,000 of improvements loan as part of your purchase

Eligibility

- ✓ Max of four units, with at least 1 unit owner-occupied
- ✓ Have to income qualify – can't max out your home purchase eligibility

Watch-outs

- ✓ Additional cost: Appraisal (~\$400-500) & additional legal fees
- ✓ You need to spend your own money first (can use LOC), then get reimbursed when we have the bills & the bank confirms that renos are completed
- ✓ CRITICAL: Make sure to work with someone who has done this before

LAND TRANSFER TAX REBATE

What is it?

- ✓ Ontario: \$4,000 rebate (\$8,000 in Toronto)
- ✓ BC: Full rebate <\$500K homes | Partial rebate \$500K-\$525K homes
- ✓ AB: Not applicable (\$0 land transfer tax)
- ✓ Get this rebate as part of closing costs

Eligibility

- ✓ First time home buyer anywhere in the world

HOME BUYERS PLAN

What is it?

- ✓ Withdraw from your registered retirement savings plans (RRSPs) to buy your first home
- ✓ Withdrawal limit: \$60,000 (tax free)
- ✓ Return it back in 15 years! Repayment to start 5 years from when you withdraw.

Eligibility

- ✓ Tax free only if the money was put into RRSP 90 days prior to withdrawal

NO BRAINER!

FIRST HOME SAVINGS ACCOUNT

Launched Apr 1, 2023 | [FHSA](#)

What is it?

- ✓ RRSP & TFSA in ONE
- ✓ Contribute \$8,000 / year | Lifetime limit: \$40,000
- ✓ Unused contribution can carry forward into the following year up to max of \$8,000
- ✓ You don't need to pay it back! If you don't use it – transfer to RRSP or RRIF

Eligibility

- ✓ First time home buyer + primary residence
- ✓ Exception: Make qualifying withdrawals within 30 days of moving into the house

HOME BUYERS TAX CREDIT

What is it & eligibility?

- ✓ \$10,000 tax credit (Combined if buying with spouse)
- ✓ First time home buyer

CONFUSED?

Grow



Book a call and talk to a licensed Mortgage agent about these programs, your eligibility, process & more...