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A GUIDE FOR FIRST-TIME BUYERS · GTA & ONTARIO

The First-Time **Home Buyer's Guide**

Everything a first-time buyer in the GTA actually needs to know — the real costs, the rebates you're owed, and the exact order of operations from pre-approval to keys.

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READS IN UNDER 12 MINUTES

I came to Canada in 2015 as a student, hit $0 in my bank account, and clawed my way up — first job, first condo, first house, then a cross-country move with my family. I've been the first-time buyer, four times over.

So this isn't textbook theory. It's the stuff I wish someone had laid out for me plainly: what you actually need saved, what the government gives back, and the exact sequence so you're never the person scrambling because you didn't know a step was coming. Let's make your first purchase feel manageable.

01 What You Actually Need Saved

The #1 fear I hear is "do I even have enough?" Let's make it concrete. Two buckets matter: your down payment and your closing costs. People plan for the first and get blindsided by the second.

MINIMUM DOWN PAYMENT (CANADA)

- Up to $500,000: 5% minimum.
- $500,000–$1,500,000: 5% on the first $500K + 10% on the portion above.
- $1,500,000+: 20% minimum (and no mortgage insurance available).

Example on an $800,000 home: 5% of $500K ($25,000) + 10% of $300K ($30,000) = $55,000 down. Under 20% down, you'll pay CMHC mortgage insurance (added to your mortgage, not upfront) — normal for first-timers, not a red flag.

CLOSING COSTS — BUDGET ~1.5–4% OF PRICE

COST	TYPICAL RANGE
Land Transfer Tax (Ontario)	~0.5%–2% of price*
Lawyer / legal fees	$1,500–$2,500
Home inspection	$400–$600
Title insurance	$250–$500
Appraisal (if lender requires)	$300–$500
Moving + immediate setup	$1,000–$3,000

*Ontario Land Transfer Tax is tiered. First-time buyers get a rebate of up to $4,000 (see Section 2). Toronto buyers pay a second municipal LTT with its own first-time rebate up to $4,475.

02 Free Money You're Owed (First-Timer Rebates)

This is the section that pays for itself. As a first-time buyer in Ontario, several programs put money back in your pocket — most people don't claim all of them.

- Ontario Land Transfer Tax Rebate: up to $4,000 back. On a home up to ~$368,000 you pay $0 provincial LTT.
- Toronto Municipal LTT Rebate: up to $4,475 back if you're buying inside Toronto (a second tax that Milton/Burlington/Oakville/Brampton buyers don't pay).
- First Home Savings Account (FHSA): contribute up to $8,000/year ($40,000 lifetime). It's tax-deductible going in and tax-free coming out — the best tool most first-timers aren't using.
- RRSP Home Buyers' Plan: withdraw up to $60,000 each ($120,000 per couple) from your RRSP tax-free toward a first home, repaid over 15 years.
- First-Time Home Buyers' Tax Credit: up to $1,500 back at tax time.

DO THIS BEFORE YOU BUY

Open an FHSA the moment you start thinking about buying — even with $1 — because the contribution room only starts once it's open. Stack it with the RRSP Home Buyers' Plan and a couple can move $100,000+ tax-advantaged into their down payment.

03 The Order of Operations (Pre-Approval → Keys)

Most first-timer stress comes from not knowing what happens next. Here's the actual sequence. Follow it in order and nothing surprises you.

- 1. Get pre-approved — a broker or bank confirms your budget and locks a rate for ~90–120 days. Do this first; it tells you what's real.
- 2. Get clear on your must-haves — area, beds, commute, parking. We'll sort wants from needs so you're not chasing everything.
- 3. Tour + shortlist — see enough to calibrate. In the GTA, be ready to move quickly on the right one.
- 4. Offer — price, deposit, conditions (financing, inspection, status certificate for condos), and closing date. This is where having me matters most.
- 5. Conditions period — finalize your mortgage, do the inspection, review documents. You can still walk if something's wrong.
- 6. Firm + deposit — conditions waived; your deposit (usually ~5%) is held in trust.
- 7. Lawyer + closing — your lawyer handles title, funds, and land transfer. On closing day, keys are yours.

FROM MY OWN DEALS

First-timers panic most at the **offer and inspection** stages. One couple nearly walked over a scary inspection line; instead we used it to **negotiate a brand-new furnace into the deal** before closing. Same house, same price — one big worry gone. Knowing the process turns fear into leverage.

04 The Deposit vs. Down Payment (People Mix These Up)

Two different things, two different moments:

- Deposit — paid within ~24 hours of your offer being accepted (often ~5% of price), held in trust. It shows you're serious and it counts toward your down payment.
- Down payment — the full amount you're putting down, finalized at closing through your lawyer. Your deposit is part of it, not extra.

So on that $800K home: a ~$40,000 deposit at offer, and the balance of your $55,000 down payment comes together at closing. Have the deposit ready to move fast — that's the part that catches first-timers off guard.

05 West GTA Cheat Sheet (Where Your Money Goes Further)

If you're open on location, a few minutes west can change what you can afford — without the Toronto municipal land transfer tax.

- Milton — newer stock, young families, quick 401/407 access. Great value per square foot.
- Brampton — bigger homes for the money, strong newcomer community, transit growing.
- Burlington & Oakville — pricier but lifestyle-heavy (lake, schools); townhomes and condos are the first-timer entry point.
- No Toronto LTT — buying in Halton/Peel skips the second land transfer tax, saving thousands at closing.

YOUR MOVE

Let's build your **first-purchase game plan**

Tell me your budget and the areas you're eyeing, and I'll map your real numbers — down payment, rebates, closing costs — and the timeline to keys. No pressure, no pitch. I've been the first-time buyer; I'll treat yours like my own.

BOOK A 15-MIN CALL WITH ISHMEET

Or just reply to the email this came with — I read every one.

— Ishmeet Malhotra, REALTOR®

Ishmeet Malhotra, Sales Representative · [Your Brokerage Name], Brokerage · Serving the West GTA — Milton, Burlington, Oakville, Brampton & surrounding areas.