The Homebuyer's Blueprint

First-Time Buyer Checklist for Canada

Your step-by-step action plan from savings strategy to closing day.
Print it, check it off, get the keys.

8	**32**	**$68K+**
Chapters	Action Items	Savings Target

WHAT'S INSIDE

- ✓ Financial readiness checklist — credit score, debt ratios, stress test
- ✓ Savings strategy — FHSA, TFSA, RRSP priority order with real numbers
- ✓ Complete savings target breakdown for a $600K home
- ✓ Pre-approval document checklist and house hunting guide
- ✓ Offer, conditions, and closing day step-by-step
- ✓ Every federal and provincial rebate you should claim

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Phase 1: Financial Readiness

Before you start looking at homes, get your financial house in order.

CREDIT SCORE

- ■ Check your credit score on Borrowell (Equifax) and Credit Karma (TransUnion)
  Both are free. Check both — they sometimes differ.
- ■ Ensure your score is 680+ (ideally 760+) for the best mortgage rates
- ■ Pay all bills on time for the next 6–12 months
  Payment history is 35% of your score — the single biggest factor.
- ■ Reduce credit card balances to below 30% of your limit
  If your limit is $10K, keep your balance under $3K.
- ■ Do NOT close your oldest credit card
  Length of credit history is 15% of your score.
- ■ Avoid applying for any new credit until after you close
  Every application is a hard inquiry that temporarily lowers your score.

DEBT MANAGEMENT

- ■ Calculate your GDS ratio (housing costs / gross income) — must be ≤ 39%
  Includes mortgage + property tax + heating + 50% condo fees.
- ■ Calculate your TDS ratio (all debt / gross income) — must be ≤ 44%
  Includes housing costs + car loan + student loan + credit card minimums.
- ■ Pay down high-interest debt before saving for a down payment
  Every dollar of monthly debt you eliminate increases your mortgage qualification.
- ■ Avoid any major purchases (car, furniture) until after closing
  Lenders re-check your finances before funding. New debt can kill the deal.

> ***TIP:*** *The stress test requires you to qualify at your rate + 2% (or 5.25%, whichever is higher). This reduces your max purchase price by ~15–20%. Factor this into your budget from day one.*

Phase 2: Savings Strategy

Use registered accounts in this exact order to maximize your tax savings.

$8,000	$40,000	$60,000	$7,000
FHSA Annual Limit	FHSA Lifetime Max	RRSP HBP Max	TFSA Annual Limit

STEP 1: OPEN YOUR FHSA (PRIORITY #1)

■ Open an FHSA at your financial institution — even with $100

Opening the account starts the clock on carry-forward room. Do this TODAY.

■ Contribute up to $8,000/year (deadline: December 31)

NOT the RRSP deadline of March 1. Don't miss this.

■ Claim the tax deduction on your return — reinvest the refund

At a 30% tax rate, $8,000 contribution = $2,400 back.

■ Invest inside the FHSA (HISA if buying in 1–2 yrs, ETFs if 3+ yrs)

■ Track your carry-forward room (up to $8,000 unused per year)

STEP 2: MAX YOUR TFSA (PRIORITY #2)

■ Contribute up to $7,000/year to your TFSA

■ Use your TFSA for your emergency fund (keep in a HISA)

This money stays accessible for closing costs and unexpected expenses.

■ Use TFSA for closing costs (since FHSA can only be used for the down payment)

STEP 3: RRSP HOME BUYERS' PLAN (SUPPLEMENT ONLY)

■ Only use HBP after FHSA is maxed — you must repay over 15 years

Miss a repayment and it becomes taxable income.

■ Funds must be in your RRSP for at least 90 days before withdrawal

■ Maximum withdrawal: $60,000/person ($120,000 for a couple)

***TIP:** Your FHSA tax refund each year is free money. Don't spend it — put it directly into your TFSA to accelerate your savings. Over 5 years, that's ~$12,000 in refunds alone.*

Phase 3: Know Your Numbers

The down payment is NOT the only thing you need to save for. Budget for the full picture.

Category	Amount ($600K home)	Your Target
Down payment (minimum)	$35,000 (5%/$500K + 10%/$100K)	$___________
Closing costs	$9,000 – $24,000	$___________
Land transfer tax	$8,000 – $20,000+	
Legal fees	$1,100 – $1,800	
Home inspection	$400 – $600	
Title insurance	$300 – $500	
PST on mortgage insurance	~$1,800 (if < 20% down)	
Emergency fund (3–6 months)	$10,500 – $21,000	$___________
Move-in costs	$2,000 – $5,000	$___________
TOTAL TARGET	**~$68,000**	**$___________**

DOWN PAYMENT TIERS (CANADA)

Up to $500,000	5%	Yes (CMHC/Sagen/Canada Guaranty)
$500,001 – $1,499,999	5% on first $500K + 10% on remainder	Yes
$1,500,000+	20%	No

***TIP:** First-time buyers with insured mortgages (< 20% down) can now access 30-year amortizations, which lowers your monthly payment. The insured mortgage cap was raised to $1,500,000 in December 2024.*

Phase 4: Pre-Approval & House Hunting

GET PRE-APPROVED

- ■ Contact a Home Financing Advisor to start your pre-approval
  A pre-approval tells you exactly how much you can borrow and locks in a rate for 90–120 days.
- ■ Gather required documents:
  - ■ Government-issued ID
  - ■ Proof of income (pay stubs, T4s, Notice of Assessment)
  - ■ Proof of down payment (bank/FHSA/TFSA statements)
  - ■ Employment letter
  - ■ List of all assets and debts
  - ■ If self-employed: 2 years of T1 General tax returns
- ■ Understand your pre-approved amount — this is your ceiling, not your target
- ■ Decide: fixed or variable rate? Open or closed mortgage?
  Fixed = predictable payments. Variable = historically saves money. Closed = lower rate. Open = flexibility.
- ■ Choose your payment frequency — consider accelerated bi-weekly
  Accelerated bi-weekly makes 26 half-payments/year (= 13 full payments). Shaves 3–4 years off your mortgage.

FIND YOUR HOME

- ■ Write down your non-negotiables vs. nice-to-haves BEFORE you start looking
  Bedrooms, commute time, parking = non-negotiable. Renovated kitchen = nice-to-have.
- ■ Hire a buyer's realtor (interview 2–3 before committing)
- ■ Research property types: detached, semi, townhouse, condo — know the trade-offs
- ■ Set your absolute maximum purchase price — write it down and stick to it
- ■ Visit multiple properties before making any offers

> ***TIP:*** *Your first home doesn't need to be your forever home. It needs to be a smart financial entry point that gives you a comfortable place to live while building equity.*

Phase 5: Offer, Conditions & Closing

MAKING AN OFFER

- ■ Review comparable sales data with your realtor before deciding on price
- ■ Prepare your deposit (typically 3–5% of purchase price, held in trust)
- ■ Include these conditions in your offer:
    - ■ Financing condition (5–10 business days)
    - ■ Home inspection condition
    - ■ Status certificate review (condos only — have your lawyer review)
- ■ Set a walk-away price for bidding wars — do NOT go above it

  Overpaying by $50K in the heat of the moment follows you for 25 years in mortgage payments.

AFTER YOUR OFFER IS ACCEPTED

- ■ Finalize mortgage approval with your advisor (submit property details)
- ■ Book and attend the home inspection ($400–$600)

  Negotiate repairs or price reduction if major issues found.
- ■ Have your lawyer review the status certificate (condos)
- ■ Waive conditions once satisfied — deal becomes firm, deposit is non-refundable
- ■ Hire a real estate lawyer (if you haven't already)
- ■ Arrange home insurance (required by your lender before closing)
- ■ Set up utilities in your name (hydro, gas, water, internet)
- ■ Do a final walkthrough 24 hours before closing

CLOSING DAY

- ■ Sign final mortgage documents at your lawyer's office
- ■ Pay closing costs (your lawyer will provide a statement of adjustments)
- ■ Receive the keys (typically late afternoon)
- ■ Change the locks on your new home

Phase 6: Claim Every Dollar

Don't leave money on the table. Apply for every program and rebate you're eligible for.

FEDERAL PROGRAMS

- ■ FHSA — tax-deductible contributions, tax-free withdrawal (up to $40,000)
- ■ RRSP Home Buyers' Plan — tax-free withdrawal up to $60,000
  Must repay over 15 years.
- ■ First-Time Home Buyers' Tax Credit — claim $10,000 on your return (= $1,500 savings)
- ■ GST/HST New Housing Rebate — if buying a new build, significant savings possible

PROVINCIAL PROGRAMS (ONTARIO)

- ■ Ontario Land Transfer Tax Rebate — up to $4,000 for first-time buyers
- ■ Toronto Municipal LTT Rebate — up to $4,475 (if buying in Toronto)
- ■ Check for additional provincial programs specific to your province

$12,000+	**$8,475**	**$1,500**
FHSA Tax Refunds	Max LTT Rebates (ON)	FTHB Tax Credit

Ready to build your plan?

This checklist gives you the action items. The full **Homebuyer's Blueprint** course walks you through the strategy, math, and decisions behind each one — with real examples, visual guides, and Scotiabank-specific features that can save you thousands.

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