

FIRST-TIME HOME BUYER'S PLAN

A Professional Roadmap for Ontario Home Buyers

1. RRSP Home Buyers' Plan (HBP)

The Government of Canada's HBP allows you to withdraw funds from your Registered Retirement Savings Plans (RRSPs) to buy or build a qualifying home for yourself.

Current Update: As of April 2024, you can withdraw up to **\$60,000** tax-free (previously \$35,000). For couples, this is a total of **\$120,000**.

- **Repayment:** You have 15 years to repay the funds to your RRSP.
- **Grace Period:** You now have up to 5 years before you must start repayments (for withdrawals made between Jan 2022 and Dec 2025).

2. First Home Savings Account (FHSA)

A registered plan that allows you to save for your first home tax-free.

- **Tax-Deductible:** Contributions reduce your taxable income.
- **Tax-Free Withdrawal:** When used to buy a home, the growth and withdrawal are tax-free.
- **Limits:** \$8,000 per year, up to a lifetime maximum of \$40,000.

3. Ontario Land Transfer Tax Rebate

First-time home buyers in Ontario can receive a rebate of the provincial land transfer tax.

- **Maximum Rebate:** Up to \$4,000.

- **Eligibility:** You must be at least 18 years old and never owned a home anywhere in the world.

4. Closing Costs to Consider

Beyond the down payment, ensure you budget 1.5% to 4% of the purchase price for:

- Legal fees and disbursements.
- Home inspection (Highly recommended).
- Title insurance and property tax adjustments.

Hugo Rossel – Mortgage Broker
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