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REAL ESTATE AND MORTGAGE

THE NEWCOMER FIRST-TIME BUYER'S GUIDE



GTA Edition · 2026

How much you really need, where to save it, and how to get your down payment lender-ready.

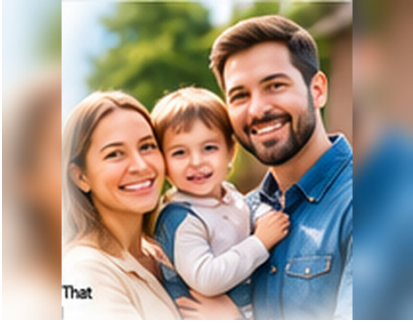
KNOW
Your Number

SAVE
The Smart Way

PREPARE
Your Money

BUY
With Confidence

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MYTH: YOU NEED 20% DOWN?

You can buy a home in Canada with as little as 5% down.

With less than 20% down, your mortgage is insured by CMHC, Sagen or Canada Guaranty. That insurance is what lets a lender accept a small down payment.

HOW THE MINIMUM WORKS

5%
On the first $500,000
of the purchase price

10%
On the part from $500K to $1.5M
of the purchase price

20%
Homes $1.5M or more
can't be insured

THE TRADE-OFF

You pay a one-time insurance premium, usually added to your mortgage. In return, you get into the market years sooner.

First-time buyers with an insured mortgage can also choose a **30-year amortization**, which lowers the monthly payment.

WHAT CHANGED

The insured price cap rose from **$1 million to $1.5 million** on December 15, 2024.

That opened most GTA condos, townhomes and many detached homes to buyers with less than 20%.

SMART BUYER TIP

Don't ask:
"Do I have 20% yet?"

Ask:
"What's my minimum, and how close am I?"

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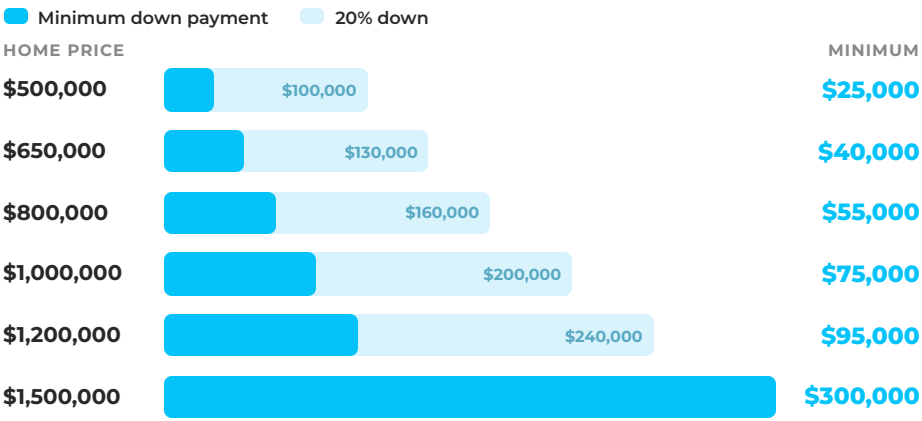


HOW MUCH DO YOU ACTUALLY NEED?

On an $800,000 townhome, the minimum is $55,000.

That's $105,000 less than 20% down. Here's the minimum at common GTA prices.

MINIMUM DOWN VS. 20% DOWN



At $1.5 million and up, the home can't be insured, so the minimum jumps to 20%.

MY NUMBER

Target price: $ _____

Minimum down: $ _____

Saved so far: $ _____

Still to save: $ _____

DON'T FORGET

The down payment isn't all the cash you need. Set aside another **1.5% to 4%** of the price for closing costs.

See page 7.

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DOES YOUR STATUS CHANGE YOUR NUMBERS?

Yes. Permanent residents buy like citizens. On a work permit, plan for at least 10%.

PERMANENT RESIDENT

- **5% minimum down,** same as citizens
- CMHC newcomer insurance, **no minimum time** in Canada
- Ontario first-time land transfer tax refund, **up to $4,000**
- **Exempt** from Ontario's 25% non-resident tax

WORK PERMIT HOLDER

- Plan for **10% or more** down
- CMHC insurance if you're **legally authorized** to work
- Land transfer refund only if you become a PR **within 18 months** of closing
- Ontario's **25% non-resident tax** may apply. Get legal advice before you sign.

NO CANADIAN CREDIT YET?

CMHC's newcomer program can look at other proof that you pay your bills, like an **international credit report** or your **rent and utility history.** Most big banks also run newcomer mortgage programs. Ask for them by name.

ON THE PATH TO PR?

PR status changes your down payment, your closing costs and your lender options. If your PR is close, timing your purchase around it can save you real money. **Talk to me before you sign anything.**

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HOW SHOULD YOU SAVE IT?

Let the government help. Stack the FHSA and the RRSP Home Buyers' Plan and one person can put up to $100,000 toward a first home with tax help.

$40,000	+	$60,000	=	$100,000
FHSA		RRSP HBP		per person · $200,000 for a couple

1 FHSA

First Home Savings Account

- $8,000 a year, $40,000 lifetime
- Tax-deductible going in
- Tax-free coming out
- **Never paid back**

Newcomer catch: owned and lived in a home in the last 4 years, even back home? You can't open one yet.

2 RRSP

Home Buyers' Plan

- Withdraw up to $60,000
- Tax refund when you contribute
- In your RRSP 90+ days first
- Repay over 15 years

Newcomer catch: no RRSP room until you file your first Canadian tax return.

3 TFSA

Your flexible backup

- $7,000 for 2026
- Withdraw any time, tax-free
- Great for closing costs
- No tax deduction

Newcomer catch: room starts the year you arrived. Over-contributing costs 1% a month.

WHICH ORDER?

1. Fill your **FHSA** every year.
2. Working? Contribute to your **RRSP** and recycle the refund.
3. Use your **TFSA** for the rest and for closing costs.

SMART MOVE

Put your RRSP tax refund straight into your FHSA or TFSA. **Your savings grow twice.**

Open your FHSA now, even with $1. Your room only starts once it's open.

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CAN FAMILY HELP?



Yes. A gift from family is a normal, accepted way to fund a down payment in Canada.

On an insured mortgage, lenders often accept a gift for the **whole** down payment, as long as it's documented.

WHAT LENDERS WANT TO SEE

WHO CAN GIVE
Immediate family: parents, grandparents, siblings

A GIFT LETTER
Signed, saying it's a gift and never has to be paid back

PROOF OF FUNDS
The money leaving their account and landing in yours

TIME
In your account early, building history

GOOD TO KNOW

- **No gift tax** in Canada
- You don't report the gift as income
- Friends, employers, the seller or builder: **generally not accepted**
- Ask your lender for their gift letter template

MY GIFT PLAN

Who is giving: _____

Amount: $ _____

Date it arrives: _____

Letter signed? ☐ Yes _____

GIFT COMING FROM OVERSEAS?

You'll need the gift letter **plus** the wire transfer records. Send it early so it builds history in your Canadian account. Talk to your lender before you apply, so nothing surprises them later.

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BRINGING MONEY FROM BACK HOME

Move your savings into Canada at least 3 months before you plan to buy.

Most lenders want 90 days of history showing where your down payment came from.

1 — 4+ MONTHS OUT
Open your Canadian account. Start the transfer.

2 — 3 MONTHS OUT
Money is here. The 90-day clock starts.

3 — PRE-APPROVAL
Statements show a clean, steady history.

OFFER READY
Your money is ready on paper.

KEEP A CLEAN PAPER TRAIL

SAVE EVERYTHING
Every bank statement and wire confirmation.

EXPECT QUESTIONS
Banks report international transfers of $10,000 or more.

ONE SOURCE, ONE PROOF
Savings, gifts and Canadian pay each need their own proof.

SOLD PROPERTY ABROAD?
Keep the sale documents. They show where the money came from.

MY MONEY-READY CHECKLIST

- ☐ Canadian bank account open
- ☐ Transfer started from back home
- ☐ Funds landed: date _____
- ☐ 90 days of statements saved
- ☐ Gift letter signed (if any)
- ☐ Sale documents saved (if any)

DON'T SHUFFLE YOUR MONEY

Every extra move between accounts is one more thing to explain. A large unexplained deposit can **slow or stall** your mortgage approval.

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WHAT WILL CLOSING REALLY COST?

Set aside 1.5% to 4% of the price on top of your down payment. On an $800,000 home, that's $12,000 to $32,000 in cash on closing day.

LAND TRANSFER TAX

About $12,475 on $800K. First-time buyers who are citizens or PRs get up to $4,000 back.

INSURANCE SALES TAX

Ontario sales tax on your mortgage insurance is paid in cash. It can't go on the mortgage.

LEGAL & TITLE

Lawyer fees, title insurance and disbursements.

INSPECTION

Book one before you firm up your offer.

MOVING

Movers, utility hookups and first-month setup.

NON-RESIDENT TAX

25% for buyers who aren't citizens or PRs, unless exempt. PRs are exempt.

MY CLOSING COST WORKSHEET

Land transfer tax (after refund)	$ _____
Insurance sales tax	$ _____
Legal fees & title insurance	$ _____
Home inspection	$ _____
Moving & setup	$ _____
TOTAL CASH TO CLOSE	$ _____

BUYING BRAND NEW?

First-time buyers of a newly built home can get a **GST rebate worth up to $50,000.**

The full rebate applies up to $1 million and phases out by $1.5 million. Check your eligibility before you sign with a builder.

Toronto buyers: a city land transfer tax applies too. Oakville and Burlington don't charge one.

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Couple u

YOUR ROADMAP TO OWNING

Start your FHSA this year, and keep your money ready on paper. Everything else follows.

1. **NOW**
   Open your FHSA if you qualify, and your TFSA. Calculate your TFSA room from the year you arrived.

2. **BUILD CANADIAN CREDIT**
   Get a credit card, use a little, pay it in full every month. Keep proof of rent and utilities.

3. **AFTER YOUR FIRST TAX RETURN**
   You now have RRSP room. Contribute, then put the refund into your FHSA or TFSA.

4. **EVERY JANUARY**
   Add your new FHSA room and your new TFSA room.

5. **6 MONTHS BEFORE BUYING**
   Talk to a mortgage specialist and to me. Get pre-approved, line up any gift letter, move money from abroad.

6. **90+ DAYS BEFORE BUYING**
   Your down payment is in your Canadian account. RRSP money for the Home Buyers' Plan has been in 90+ days.

7. **OFFER AND CLOSE**
   Your lawyer claims your land transfer tax refund, and you get your keys.

START EARLY, WIN BIG

Every year your FHSA is open adds $8,000 of room. **The best time to open it was last year. The next best time is today.**

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MY DOWN PAYMENT PLAN WORKSHEET

Use this worksheet to see where your down payment will come from, and how far you have to go.

1. MY TARGET

Target purchase price	$
Minimum down payment (see page 2)	$
Closing costs (1.5% to 4%)	$
A. TOTAL CASH I NEED	$

2. WHERE IT WILL COME FROM

FHSA balance	$
RRSP Home Buyers' Plan	$
TFSA	$
Gift from family	$
Savings from back home	$
Other savings	$
B. TOTAL I WILL HAVE	$

3. MY GAP

A. Total cash I need	$
MINUS B. Total I will have	− $
STILL TO SAVE	$
Months until I buy _____ = save each month	$

PLAN WITH REAL NUMBERS

This is an estimate. Review your numbers with a mortgage specialist and with me before you set a buying date.

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PUTTING IT ALL TOGETHER

Use this summary to review your plan and take your next step.

1. MY GOALS

Where do I want to live? What kind of home?

_____

2. MY NUMBERS

Target price: $ _____

Total cash needed: $ _____

Still to save: $ _____

3. MY TIMELINE

Target buying date: _____

FHSA opened? ☐ _____

Pre-approved? ☐ _____

4. MY TEAM

Realtor: _____

Mortgage specialist: _____

Lawyer: _____

Accountant: _____

MY KEY TAKEAWAYS

The biggest thing I learned:

_____

_____

The account I'll open first:

_____

MY COMMITMENT

I will take action on my plan and make decisions that move me toward owning.

My next step:

_____

_____

Target date: _____

WANT A FREE REVIEW OF YOUR PLAN?

We'll work out your down payment number and your timeline together. Scan the code or reach out anytime.

Let's make it happen.

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ABOUT

Roshan Basnet



Roshan Basnet is a Real Estate Broker serving Oakville, Burlington and the west GTA, with more than 25 years in real estate and finance.

Before real estate, he led commercial mortgage operations for a major Canadian life insurance company. He knows how lenders think, and what they need to see from you.

Roshan has moved six times across the GTA since 2003, and he helps newcomers choose where to live, plan their numbers and buy with confidence.

READY TO BUY YOUR FIRST HOME IN THE GTA?

This guide is your roadmap. When you're ready for the next step, I'm here to help you make a smart, informed and successful move.

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