MORTGAGE wellness

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Cheat Sheet: First-Time Home Buyers in Ontario (2025)

Federal Incentives for First-Time Homebuyers:

1. **Home Buyers' Plan (HBP):**
   - Withdraw up to $35,000 from RRSPs tax-free ($70,000 for couples) for a down payment.
   - Repay within 15 years.
2. **First Home Savings Account (FHSA):**
   - Save up to $8,000 annually, with a lifetime limit of $40,000.
   - Contributions and investment income are tax-deductible; withdrawals for home purchases are tax-free.
   - Described as "the greatest deal in the history of Canadian savings" by financial expert David Chilton.
3. **Expanded 30-Year Amortizations (Starting Dec 15, 2025):**
   - Available for all first-time buyers with high-ratio mortgages (loan-to-value ratio ⩾80%).
   - Criteria: Must not have owned a home in the last four years or have experienced a marital breakdown.
4. **Increased Insured Mortgage Cap:**
   - Maximum price for insured mortgages increased from $1 million to $1.5 million.
   - Down payment rules remain:
     - 5% on the first $500,000.
     - 10% on the portion between $500,000 and $1.5 million.
     - Example: A $1.5 million home requires a $125,000 down payment.
5. **First-Time Home Buyers' Tax Credit (HBTC):**
   - Claim a non-refundable tax credit of up to $10,000.
   - Results in up to $1,500 reduction in income tax payable.
6. **GST/HST New Housing Rebate:**
   - Rebates on GST or HST for new-build homes, preconstruction purchases, or significant renovations.
7. **Secondary Suites Refinancing Option:**
   - Starting early 2025, homeowners can access up to $80,000 in loans for creating rental suites, at 2% interest over 15 years.
8. **GST Holiday for Developers:**

- Rebates on GST for constructing new rental housing, encouraging affordable builds.

Provincial Incentives (Ontario):

1. **Land Transfer Tax (LTT) Rebate:**
   - Refund of up to $4,000 for homes priced under $368,000; partial rebate for higher-priced homes.
2. **Toronto Land Transfer Tax Rebate:**
   - Additional rebate of up to $4,475 for first-time buyers in Toronto.

Additional Benefits:

1. **CMHC Mortgage Insurance Premium Refund:**
   - Up to 25% refund for buyers of energy-efficient homes.
2. **Affordable Home Ownership Programs:**
   - Local initiatives offering down payment assistance (varies by municipality).

General Eligibility for Incentives:

- Must be a first-time homebuyer (not owned a home in the last four years).
- Exceptions apply for marital breakdowns.

Contact for Expert Advice:

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Use this cheat sheet to maximize your benefits and make informed decisions as you embark on your homeownership journey in Ontario.