



The First-Time Home Buyers Guide

Whether you're considering a resale property or a new build, this guide will walk you through every stage of the home buying journey in Canada.

Your Journey to Home Ownership

Buying your first home is one of life's most exciting milestones but it can also feel overwhelming without proper guidance.



Financial Preparation

Credit check, down payment, budget planning



House Hunting

Finding neighborhoods, viewing properties



Offers & Negotiations

Making offers, inspections, contracts



Closing & Moving In

Final paperwork, getting keys, settling in

This guide breaks down **every critical step**, empowering you with the knowledge to make confident decisions throughout your home buying journey.

Step 1: Financial Preparation

Check your credit score

Aim for 620+ (conventional) or 580+ (FHA loans). Higher scores mean better rates.

Build your down payment

Save 3-20% of purchase price plus 2-5% for closing costs. Consider automated savings plans.

Research assistance programs

First- Time Home Buyer Incentive(Canada), FHA loans (US), VA loans for veterans, down payment assistance programs.

Create a realistic monthly budget

Include mortgage, taxes, insurance, utilities, HOA fees, and maintenance costs (1-3% of home value annually).



Pro Tip: Use the **28/36 rule**4housing costs shouldn't exceed 28% of gross income, and total debt shouldn't exceed 36%.

Step 2: Mortgage Pre-Approval

Getting pre-approved gives you a clear budget and shows sellers you're a serious buyer.

Your Lender

Compare at least 3 different lenders (banks, credit unions, mortgage brokers) to find the best rates and terms.

Gather documentation

You'll need: ID, proof of income (pay stubs, T4s/W-2s, tax returns), bank statements, employment verification, debt information.

Submit application

Your lender will review your finances, credit history, and determine how much they're willing to lend you.

Receive pre-approval letter

Valid for 60-90 days. Consider rate-lock options if available to protect against rate increases.

⊗ **Important:** Being pre-approved for \$500,000 doesn't mean you should spend that much. Consider your comfort level with monthly payments, not just the maximum amount.

Step 3: Find Your Real Estate Agent

A skilled agent is your most valuable asset in the home buying process.

What to look for:

- Experience with first-time buyers in your target neighborhoods
- Strong negotiation skills and market knowledge
- Responsive communication style that matches yours
- Positive reviews and references from past clients

How they'll help:

- Access to listings (including those not yet on public websites)
- Neighborhood insights beyond what you'll find online
- Guidance on competitive offers based on market conditions
- Navigation through complex paperwork and timelines

Pro Tip: Interview 2-3 agents before choosing. The right partnership can save you thousands.



Step 4: The House Hunt

Create Your Priority Lists

Must-Haves

- Minimum bedrooms/bathrooms
- School district
- Maximum commute time
- Specific accessibility features

Nice-to-Haves

- Updated kitchen
- Home office space
- Finished basement
- Specific architectural style

Beyond the Property



- Research **property taxes** and utility costs
- Check **internet service providers** and speeds
- Visit at different **times of day** to assess noise and traffic
- Review **HOA rules** and fees if applicable
- Consider **future development plans** in the area

Time-Saving Tip: Use the "Three-Strike Rule" 4 if you've seen 3 homes you like better than this one, move on.

Step 5: New Build Considerations

Building a new home offers customization but requires additional considerations.

Builder Selection

- Research builder reputation and financial stability
- Tour completed homes and speak with current homeowners
- Check BBB ratings and online reviews
- Verify warranty coverage (typically 1-year comprehensive, 2-10 years structural)

Design & Options

- Differentiate between standard features and upgrades
- Prioritize structural upgrades that can't be added later
- Budget 10-20% for design center selections
- Get all upgrade pricing in writing before committing

Timeline Management

- Expect 6-12 months from contract to completion
- Plan for potential delays (weather, supply chain, inspections)
- Schedule regular site visits during construction
- Consider temporary housing if selling current home



⚠ Remember: Builder's contracts heavily favor the builder. Have an attorney review before signing, and never waive your right to inspections.

Step 6: Making an Offer & Due Diligence

The Offer Process

1. Review comparable sales with your agent
2. Determine your offer price and contingencies
3. Submit offer with earnest money deposit (1-3%)
4. Negotiate terms if seller counters
5. Execute purchase agreement when terms are accepted

Key Contingencies to Include:

- **Financing contingency:** Protects if mortgage falls through
- **Inspection contingency:** Allows for professional evaluation
- **Appraisal contingency:** Ensures property is worth purchase price
- **Title contingency:** Verifies clean ownership history
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Due Diligence Period



Professional Inspections:

- **General home inspection:** \$300-600
- **Specialized inspections** if needed: Radon, mold, foundation, sewer scope (\$150-500 each)

For New Builds:

- Schedule inspections at pre-drywall and final stages
- Hire your own inspector (not the builder's)
- Document all issues with photos and written reports

Remember: You're not being difficult by requesting repairs 4 you're being a responsible buyer.

Step 7: Finalizing Your Mortgage & Pre-Closing

1 Complete Mortgage Application

Once your offer is accepted, formally apply with your chosen lender. Submit purchase agreement and any updated financial documents.

2 Property Appraisal

Lender orders appraisal to verify home's value. If it comes in low, you may need to renegotiate or cover the difference in cash.

3 Loan Processing

Under writer reviews all documentation. Respond promptly to any requests for additional information to avoid delays.

4 Clear to Close

Lender issues final approval. Receive Closing Disclosure with final costs at least 3 days before closing.

5 Final Walk-Through

For resale: Verify property condition and that agreed-upon repairs are complete. For new builds: Conduct pre-delivery inspection with builder.

Pre-Closing Checklist:

- Secure homeowner's insurance policy
- Schedule utilities transfer (electric, gas, water)
- Arrange internet/cable installation
- Prepare certified funds for closing costs
- Gather photo ID for closing appointment
- Coordinate closing time with all parties

❏ **Avoid These Pre-Closing Mistakes:** Don't make large purchases, apply for new credit, change jobs, or move large sums of money between accounts without consulting your lender first.

Step 8: Closing Day & Moving In

Closing Day

1. Meet at title company or attorney's office
2. Review and sign approximately 50-100 pages of documents
3. Pay closing costs via certified check or wire transfer
4. Receive keys to your new home!

Typical Closing Costs: Land transfer tax (varies by location), attorney/notary fees (\$500-1,500), title insurance, mortgage fees, property tax adjustments, and escrow deposits.

Your First Weeks as a Homeowner

- Change locks and garage door codes
- Locate water main, circuit breaker, and gas shutoffs
- Set up mail forwarding and update address for:
 - Driver's license and vehicle registration
 - Voter registration
 - Banking and credit card accounts
 - Insurance policies
- Create home maintenance calendar
- For new builds: Note warranty deadlines

Congratulations! You've successfully navigated the home buying process. Remember that homeownership is a journey, enjoy making this space truly yours.