

Are you a first-time Home Buyer?

It seems like it should be a simple question: if you've never personally bought a house, you should qualify, right? Unfortunately, it's not so simple.



If you live in a home that your legally married spouse owns, you no longer qualify. Same if you are common law (in Ontario, that's after three years of living together or any time of living together if you have a biological child together). If your spouse owns property, even if you don't live there and never did, you no longer qualify. Even if you or your spouse got put on title to a property for some other purpose but didn't truly buy the property, you don't qualify – this happened once to a client of mine who got put on title to his parents' Florida condo, and therefore no longer qualified as a first-time buyer.

This can have a significant for a first-time buyer. There's the land transfer tax rebate – up to \$4,000, plus more if you're buying in Toronto. There's the RRSP Home Buyers Plan, which allows you to withdraw from your savings, tax-free, as long as you repay yourself within 15 years. And there's the tax refund available on expenses related to buying your first home that you can claim through CRA when you file your taxes for the following year.

If you're planning to buy, and you're counting on using a program available to first-time buyers, be absolutely sure that you qualify before you get started.

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