

The Newcomer Kit

Buying your first home in Canada — the roadmap, the tax refund, and the real costs, in the order they actually happen. Everything here is drawn from the verified guides at ujvalpatel.com.

1 — The roadmap, in order

Start three to six months before you want to buy. **First, your status:** Canada's major banks run formal newcomer mortgage programs that do not require Canadian credit history for eligible permanent residents, and the mortgage insurers run newcomer-friendly policies of their own. Work-permit buyers typically need a larger down payment and an individual assessment — that file should be assessed early. **Second, the money pieces** (next section). **Third, your credit file and paper trail** — newcomer files take longer, and the earlier the trail starts, the smoother the approval. **Last, the purchase itself:** pre-approval, a personal search of the live MLS® system, new developments and off-market opportunities, then an offer on Ontario's standard Agreement of Purchase and Sale with financing and inspection conditions while due diligence completes.

2 — The money pieces, in order

Down payment. The standard insured minimums apply: 5% of the first \$500,000 of the price and 10% of the portion above that (20% at \$1,500,000 and up, where insurance is not available). Newcomer programs relax *history* requirements, not *money* requirements.

Deposit. Separate from the down payment: when your offer is accepted you pay a deposit — usually 1–5% of the price — held in trust. It becomes part of your down payment at closing, but you need it liquid on offer day, not closing day.

Land transfer tax refund — up to \$4,000. Ontario charges land transfer tax on every purchase. Qualifying first-time buyers pay no tax on the first \$368,000 of the price and receive a maximum refund of \$4,000. Since January 1, 2017 the refund is restricted to Canadian citizens and permanent residents — and you must never have owned a home, or any interest in one, anywhere in the world (your spouse must not have owned one while being your spouse).

The 18-month window: not yet a citizen or permanent resident at closing? You have **18 months after the purchase is registered** to become one and apply for the refund. Do not let that date pass — the refund is worth up to \$4,000.

Closing costs. On top of the price, budget roughly 1.5% to 4% for land transfer tax (after any refund), legal fees, title insurance and related costs.

3 — Build your Canadian credit file from month one

Month 1: get a secured credit card. Use it for small purchases and pay the full balance every month — payment history is the single biggest factor in your score. **Months 1–3:** add a second line of credit — a second card or a phone plan in your name. **Ongoing:** keep usage under about 30% of each limit and never miss a payment.

Month 6 onward: check your reports with Equifax and TransUnion and dispute errors — newcomers' files carry more of them than you would expect. **Avoid:** applying for many cards at once, and closing your first card (its age is part of your file).

4 — The paper trail that carries your file

- ☐ Immigration status documents — permanent resident card or confirmation of permanent residence, or your work permit with its expiry date understood by everyone at the table.
- ☐ Down payment with a visible history — funds sitting in Canadian accounts with their trail showing; large transfers from abroad need source documents.
- ☐ Income documents — Canadian employment letter and pay history where you have them; documented foreign employment and income where a program allows them.

5 — Closing-cost checklist

On the first-time buyer guide's worked example — a \$650,000 home in Kitchener bought with the minimum down payment — the total cash needed at closing comes to about **\$49,577**. The closing-cost lines inside it:

- ☐ Deposit paid on offer day (usually 1–5% of the price) — credited toward your down payment at closing.
- ☐ Balance of the down payment — \$40,000 minimum on a \$650,000 purchase (5% of the first \$500,000, 10% of the portion above).
- ☐ Land transfer tax, after the first-time buyer refund (up to \$4,000 back).
- ☐ Mortgage insurance premium tax — the 8% Ontario tax on the premium is cash at closing and cannot be added to the mortgage.
- ☐ Legal fees — \$1,500 in the worked example.
- ☐ Title insurance — \$250 in the worked example.
- ☐ Appraisal — \$400 in the worked example.

One cost note: in Ontario, the seller typically pays the buyer agent's commission through the listing agreement, so Ujval's guidance costs you nothing out of pocket as a buyer.

Start with a conversation, not a commitment

Tell Ujval where you are in the process — just landed, renting your first year, or ready to buy — and he will map your next three steps: credit, paper trail, and the homes that fit. He works with clients personally in English, Hindi and Gujarati.

Call or text: 226-612-3123 · ujvalpatel.com/newcomer-home-buyer/

Disclaimer: This kit is general information only and is not legal, financial, tax, immigration, or real estate advice. Program terms are set by each bank and insurer and change over time — please verify details with official sources and a qualified professional before making decisions. Figures are drawn from ujvalpatel.com's newcomer and first-time buyer guides (October 2026).