

## Savings for first-time homebuyers

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With housing prices rising over the last few years, it's no wonder that it's harder for first-time homebuyers to enter the market.

Home ownership rates among those between 25 to 35 dropped to 50 per cent from 55 per cent, while the rate of homeowners older than 35 remained the same, [according to a recent CIBC Economics report](#). This adds to the fact that [first-time homebuyers are now saving more](#) for their purchase and there's a greater willingness by homebuyers to enter a [bidding war](#).

If you've decided to buy a newly built home, then you're in a great position to tap into the [HST housing rebate](#).

But if you also happen to be a first-time buyer, there are even more ways that you can save money on your large purchase.

**First-time homebuyers tax credit:** The Canadian Government offers first-time homebuyers a non-refundable tax credit of up to \$750 if you bought a home in Canada. This applies to all types of homes, whether it's a condominium, apartment, townhouse, detached house, semi-detached house, a mobile home or a share in co-op housing if you own the unit. The home can either be newly built or a resale property too. Only those who are registered as homeowners qualify to make the claim, but claims can be made by the buyer, the buyer's spouse or common law partner or even the buyer's friend (as long as they're on the title.)

**Land transfer tax refund:** For many homeowners, the [land transfer tax](#) is their largest closing cost. If you live in a province that doesn't charge one, consider yourself lucky. You'll be glad to hear if you're a first-time homebuyer in Ontario, you can receive up to a \$2,000 refund that will help you recover some of your money. In order to qualify, the home must be your primary residence within nine months and you or your spouse can't have previously owned another home. Homeowners must apply for the refund with the Ministry of Finance within 18 months of the land's transfer. (Not every province offers this refund and if they do, research the province's terms of eligibility.)

**Home Buyers' Plan:** One great way to save up for your home's downpayment is by using your Registered Retirement Savings Plan (RRSP). Your RRSP is a great place to stash your retirement savings and if you're looking to become a first-time homebuyer, there's an extra bonus for you. Typically, when you withdraw money from your RRSP before the age of 71, the amount is withdrawn is counted towards your income and a portion of it is withheld to pay the upcoming tax bill. With the Home Buyers' Plan, you can withdraw up to \$25,000 and you'll have up to 15 years to replace the balance. If you don't, this is when it'll be added to your income and taxed. In order to

qualify, you need to have a written agreement of the house you plan to purchase or build for yourself and it also needs to be your primary residence within one year of the purchase or completion date.

Whether you decide to buy a newly built home as a place to raise a family or as an [investment](#), recover some of your money through an HST rebate with help from [Rebate4U](#). Our priority is to provide our clients with the most professional and quality service in obtaining rebates for their new and renovated homes. We are proud to offer our clients the most personal and attentive service, and we make sure that all of our clients are 100% satisfied.