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WEALTH MANAGEMENT

# First-Time Home Buyers *5 Steps for Success*

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HOSTED BY:

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# Agenda



# Speakers



Erik Wachman, B COMM, JD, LLL  
Financial Advisor  
Assante Wealth Management Ltd.



Jivan Sanghera  
Mortgage Broker  
Circle Mortgage Group



Sandy Kennedy  
Realtor  
RE/MAX Realty Services Inc.,  
Brokerage



# Step 1

## Getting your (financial) ducks in order

# Getting your (financial) ducks in order

1. How much do you have saved?
2. How much do you need?
3. Can you afford it?

# Getting your (financial) ducks in order

## 1. How much do you have saved (& accessible)

- ▶ RRSP withdrawals (\$35K 1st time home buyer's plan per spouse)
  - ▶ Remember 90 day rule, plan for withdrawal time, payback period
- ▶ Non-Registered Savings
  - ▶ Plan for capital gains come tax time
- ▶ Receiving \$\$\$ in your bank account (3-5 days if in mutual funds)

# Getting your (financial) ducks in order

## 2. How much do you need?

- ▶ 5-20% down payment
  - ▶ Pay additional mortgage default insurance (if less than 20% down)
- ▶ Don't forget other costs
  - ▶ Land transfer tax
  - ▶ Closing costs
  - ▶ Home inspection
  - ▶ Home appraisal
  - ▶ Buffer for unforeseen expenses
- ▶ Know the credits and programs available
  - ▶ first-time home buyer's tax credit, land transfer tax refunds, new housing rebate
  - ▶ Updates to first-time home buyers' program

# Getting your (financial) ducks in order

## 3. Can you afford it?

- ▶ List out your estimated home ownership costs including:
  - ▶ mortgage payments
  - ▶ property taxes
  - ▶ Utilities (hydro, gas)
  - ▶ condo fees (if any)
  - ▶ home insurance
  - ▶ cable
  - ▶ (add buffer for home improvements)
- ▶ List these costs annually and monthly



# Getting your (financial) ducks in order

## Summary of programs, credits and refunds

Program name	Amount	How to claim or participate	More details
<b>First-time home buyers' tax credit</b>	\$5,000 non-refundable credit (up to \$750 tax relief) (total per couple)	On your tax return	<a href="#">LINK</a>
<b>Land transfer tax refund for first-time home buyers</b>	Ontario - up to \$4,000 <small>(excl. Toronto)</small> Toronto - up to \$8,475.00	Electronically at the time of registration	<a href="#">LINK</a>
<b>RRSP home buyer's plan withdrawal</b>	Up to \$35,000 per spouse (90 day holding period before withdrawal)	Complete withdrawal form	<a href="#">LINK</a>
<b>GST/HST new housing rebate</b>	GST/HST rebate on new builds	Complete forms come tax time	<a href="#">LINK</a>
<b>First-time home buyer incentive (CMHC)</b>	5-10% shared equity mortgage towards down payment	Complete application with your lender	<a href="#">LINK</a>



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# Step 2

## Preapproval and mortgages 101



# Mortgages 101 with Jivan

Here's what you should know about:

- Fixed vs variable rate
- Term & amortization
- Mortgage options and clauses
- Property taxes and mortgages
- Mortgage insurance
- Pre-approval process (bank vs broker?)



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# Step 3

## Assemble your team



# Assemble your team

- ▶ Find and connect with your team:
  - ▶ Mortgage broker
  - ▶ Lawyer
  - ▶ Realtor
  - ▶ (home inspector)
- ▶ Don't forget to keep your advisor in the loop!



Step 4  
Now the fun  
begins!  
Starting your  
search

# Starting your search

## Working with a realtor

- ▶ Benefits of using a realtor
- ▶ How does the realtor contract work?
- ▶ How to best work with your realtor

# Starting your search

## Starting your property search

- ▶ How to manage emotions & expectations in the search process
- ▶ Tips for searching and finding your first home
- ▶ What should a first-time homebuyer be mindful of when visiting properties?



The background features a blurred clock face with blue geometric shapes overlaid on the right side. The clock face shows numbers 15, 50, 40, 30, 20, and 10. The text is centered in the middle of the image.

# Step 5

## Closing time

# Closing Time

You've submitted an offer (probably not your first one) and it's been accepted, congratulations. But the deal's not done, yet.

- ▶ Tips in leading up to closing day
  - ▶ Make sure you have accessible \$ set aside for unexpected "surprises"
- ▶ What to expect on the day of closing

# Recap - 5 steps to success

## 1. Get your (financial) ducks in order

- ❑ Estimate your available down-payment and know the rules and timelines (remember capital gains, 90 day rule for RRSP HBP withdrawal and delay for receiving \$ from investments)
- ❑ Remember to include land transfer tax, closing costs, home inspection & appraisal & a buffer for unforeseen expenses
- ❑ Sketch out your costs of home ownership including mortgage, property taxes, utilities, condo fees, insurance, cable (both monthly and annually)
- ❑ Remember to claim your eligible credits (first-time home buyer's tax credit, land transfer tax refunds, new housing rebate)

## 2. Get pre-approved for your mortgage

- ❑ Determine term, amortization, rate (fixed/variable) - if you want to obtain mortgage insurance, connect with your provider/advisor

## 3. Assemble your team

- ❑ Connect with your mortgage provider/broker, realtor, lawyer, (home inspector) & keep your financial advisor in the loop

## 4. Set your parameters and start your search

- ❑ Set your expectations with your realtor

## 5. Know to expect come closing time

- ❑ Set aside \$ for unforeseen expenses



# QUESTION BREAK



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# Sandy's 10 real estate rules



# Real Estate is a key component of a balanced portfolio

- Principal residence is capital gains exempt
- Owning rental properties enable you to leverage “up markets” and gives you more write-offs

If you are living in a rental,  
you are simply paying your  
landlord's mortgage for  
them

# If you are buying, be prepared to pay fair value

- Stop looking for the “home run” purchase
- Consider buying further out in the suburbs
- Consider borrowing the down payment from a family member



# When is the best time to buy real estate? When you are ready!

- Prices are often softer in November - December
- Predicting the real estate market (like predicting the future) is impossible

# When is the best time to sell real estate? When you have a better use for the money elsewhere

- Relocating for work or retirement
- Helping a child go to university or buying their first home
- Prices are usually higher in the spring market (February - April)

Real estate is a long-term  
investment

# No real estate flips!

- Buy = Hold = Prosper

# Like investing in the stock market, don't try to do it on your own

- Get an experienced professional working for you
- Set real objectives

Get pre-approved before  
going to look at homes

“Call Sandy and start packin’!”



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# QUESTIONS



# The Power of a Team



Per Homer  
BA (Hons), CFA



Jeff Wachman  
Team Founder  
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Seyi Jimoh  
B Econ



Leah Zajdman  
BA (Hons)

***Over 50 years of combined financial markets experience***

# Assante Wealth Management



Total Assets: \$194.4 billion



Total Assets: \$51.2 billion

Building a Leading Global  
Wealth Management Firm

Over 850 advisors across Canada

Industry leading wealth planning  
and private client services

Asset figures are for illustrative purposes only and are approximate and adjusted, where applicable, to avoid double-counting, based on September 30, 2020

## Why Work with Our Team?

Our team helps business owners like you to reduce their tax bill, plan for retirement, and protect their family and loved ones if something were to happen to them.

Our team help business owners by creating and implementing a wealth plan that:

- ✓ Answers your financial questions and concerns
- ✓ Offers clear, actionable solutions to reduce your tax bill
- ✓ Maximizes the opportunities that your corporate structure affords you
- ✓ Protects your family and loved ones
- ✓ Gives clear action steps towards creating the financial security and freedom you desire

We can also help steer you through the sea of government programs available

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