



The First-Time Homebuyer's Guide

Advice to Plan, Save and Buy with Confidence



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Let's Start the Conversation



Your first home starts with a conversation. We are here to help.

If thinking about buying your first home feels exciting but also a little overwhelming, you are not alone.

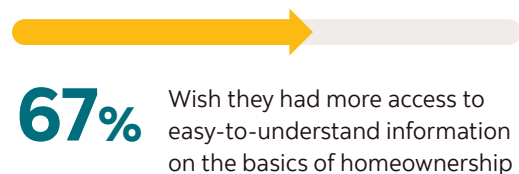
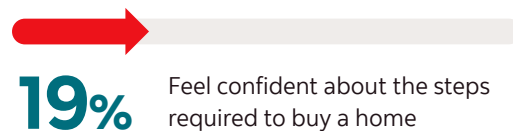
Our 2025 Scotiabank Housing Poll found that most first-time buyers in Canada feel it's complicated and say they could use reliable advice.

That is exactly why we made this guide, to walk you through the homebuying journey from setting your goals to getting your keys. Think of it as a companion for the real conversation with the knowledgeable experts on our team who know mortgages inside and out.

Scotiabank Home Financing Advisors (HFA) are here to tailor advice to your goals, finances and timeline.

Because no two paths to homeownership are the same, your advice should not be either.

According to a Scotiabank Housing Poll of first-time buyers:





What Do You Want Most From Your Future Home?

Before we talk numbers, let's talk about you.

Buying a home is about deciding on your goals. Every homebuying journey at Scotiabank starts the same way: with a conversation. What do you want most out of your home?

Where do you see yourself in the next few years (and beyond that)? What is worrying you? There are no wrong answers. **"I just want somewhere to put down roots,"** is a perfectly good place to start.

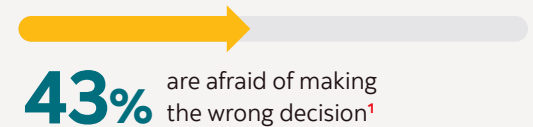
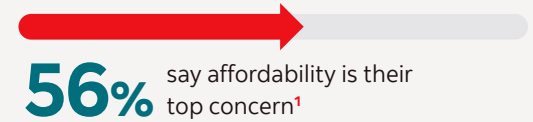


Ask your Home Financing Advisor:

"What are most first-time buyers you work with surprised to learn?"



What first-time buyers say:



Some things to consider:

- **Renting or owning.** Neither is wrong. Owning can help you build equity over time, but it also comes with new considerations and costs.
- **Your timeline.** Are you hoping to buy in six months or a year from now? Maybe even two? A Home Financing Advisor can help you figure out whether now is the right time, or whether waiting could put you in a stronger position.
- **Home types.** Condo, townhouse, semi-detached, or detached. Each comes with different costs, maintenance, and lifestyle trade-offs. A downtown condo and a suburban townhouse may have the same price tag but offer very different lifestyles, commutes, and monthly costs. Think about what matters most in your day-to-day life, not just what looks good on paper.
- **Must-haves vs. nice-to-haves.** Two bedrooms might be non-negotiable. A backyard pool might be more of a "maybe one day." Knowing the difference helps keep your search, and your budget, on track.



The Lowdown on Down Payments

This is where plans can stall. Let's give your plans momentum.

Down payments are a topic that tends to lead to a lot of advice from the people in your life. People say things like “you need 20%,” “just use your RRSP,” or “someone I know only put down 5%.” Every journey is personal, but let's clear up the basics of what is true in Canada right now.

✗ MYTH

“If I have 5% down, I'm ready to buy.”

✓ FACT

Your down payment is only one part of the picture. You'll also need money for closing costs, moving expenses, and early repairs. A Home Financing Advisor can help you see the full picture.

What first-time buyers say:



95% say reliable advice would make them feel more confident¹



50% of first-time buyers go to friends and family to learn about mortgages¹



Ask your Home Financing Advisor:

- “What are the best ways to save for a home, and who can help?”
- “How do I decide how much to put down?”
- “What ‘surprise’ costs do buyers often forget?”

The basics on down payments in Canada:

A home purchase price under \$500,000:

insured mortgage

Minimum 5% down

From \$500,000 to \$1,499,999:

insured mortgage

5% on the first \$500K and 10% on the rest

\$1.5 million and up:

uninsured mortgage

Minimum 20% down

So where can a down payment come from?

- **Personal savings:** Any personal savings, including from your Tax-Free Savings Account (TFSA).
- **Gifted funds:** Are permitted only from an immediate family member and may be used toward all or part of the down payment and/or closing costs.²
- **First Home Savings Account (FHSA):** A tax-free account designed for first-time buyers.
- **RRSP Home Buyers' Plan (HBP):** Withdraw up to \$60,000 from your RRSP tax-free to put toward your first home, then repay it over time, interest free. You will have 15 years to put the withdrawn amount back into your RRSP. In years money is not added back, it cannot be claimed as income on your income tax.

What does “mortgage-ready” actually mean?

- Your down payment funds have a **clear, documented history** (meaning you should open the appropriate accounts and move money into them as early as possible).
- You've planned for **closing costs on top of your down payment**. A good rule of thumb is to save around 1% to 1.5% of the purchase price (more on this later).
- Your credit, income, and debts are in **good shape**.

What is mortgage default insurance?

- This is mandatory if purchasing a home with a down payment of less than 20%. It can cost an average of 2.8% to 4.0% of most people's mortgage amount depending on their particular financial situation and loan-to-value ratio.



². Must be non-repayable and from immediate family (parent, child, sibling, grandparent or guardian). Spousal gifts allowed if the spouse is not a co-borrower. Program/insurer conditions may restrict use (e.g., borrower's own funds required).



The Full Cost of Calling It Yours

Let's make sure the home fits your life.

Your mortgage payment gets most of the attention. But owning a home comes with other costs that need a place in your plan. A little preparation here can go a long way. The most important question to ask yourself is “am I comfortable with my total monthly costs, and do I have a cushion for surprises?” Depending on the answer, you may want to adjust your budget up or down.

Looking for a fixer upper?

If your new home needs updates, ask your Home Financing Advisor about financing renovations through your mortgage. It may be more affordable than putting those costs on a credit card.

The Scotia Total Equity® Plan mortgage, for example, gives you the flexibility to use the equity from your home when you need it.

What first-time buyers say:



95% find the mortgage process confusing, and costs and fees are the biggest pain point.



Here are some rough monthly costs of owning a home:

Cost	What It Is
Mortgage payment	Your regular loan repayment including the principal (portion of the full loan amount) plus interest on it.
Property taxes	Annual tax charged by your municipality, often paid monthly. Varies by city, but a rough estimate is 0.5% to 1% of your home's value per year.
Utilities	Heat, gas, electricity and water. Costs vary by home size, season, and location.
Condo fees	If you buy a condo or strata unit, these help cover shared building costs like maintenance and amenities. They can range from \$200 to \$800+/month depending on the building and what's included.
Maintenance savings	A common rule of thumb is 1% to 1.5% of your home's value per year. Planning ahead helps when repairs come up.
Home insurance	Required by your lender. Protects against damage, theft, and liability. Typically \$80 to \$200/month depending on home type and coverage.
Mortgage protection insurance (optional)	Helps cover payments if something unexpected happens to you or your family. Cost depends on your mortgage size and coverage level.



Ask your Home Financing Advisor:

“What costs of homeownership should I think about when deciding on an achievable purchase price?”





Pre-Approval: Where Window Shopping Starts Getting Real

Turn dreams into plans so you can house hunt with confidence.

It's easy (and fun) to fall in love with homes you see online or visit in-person. Getting a pre-approved mortgage helps you do that with a clearer sense of what makes sense for your budget, so you don't end up head over heels for a home that isn't right for you. A pre-approval can give you a working budget, show sellers that you are serious and may let you hold an interest rate while you look. It's one of the smartest first steps you can take.

What first-time buyers say:



44% of first-time buyers are looking for step-by-step guidance

✗ MYTH

Pre-approval is a guarantee that you will receive a mortgage and lock in a rate indefinitely, regardless of changing jobs or taking on new debt.

✓ FACT

Pre-approval is a strong start, but final approval depends on the property details, a full document review, income, expenses and down payment verification and meeting lender and/or insurer requirements.

What pre-approval is:

- A lender reviews your income, credit, debts, and down payment to estimate how much you could borrow.
- You may receive a rate hold, which can lock in an interest rate for a set period, typically 60 to 120 days, while you shop.
- A strong signal to sellers and real estate agents that you are a serious buyer.
- A pre-approval is conditional. Your mortgage is approved only after your offer on a property is accepted and the lender reviews the property and verifies your financial details for affordability.

What pre-approval isn't:

- A guarantee that you'll get the mortgage. Final approval depends on the property, a full document review, and lender or insurer requirements.
- A reason to borrow outside your comfort zone. Even if you can access more, it may not be right for you.

Pre-approval document checklist:

- ✓ Government-issued ID
- ✓ Proof of income (pay stubs, employment letter with salary, tax returns if self-employed)
- ✓ Proof of down payment and where the money has come from (like gifted funds)
- ✓ List of current debts and monthly obligations
- ✓ Banking and investment statements



Ask your Home Financing Advisor:

- "What mortgage terms and payment options will help me stay comfortable if rates, or life, change?"
- "What happens if I need to sell or refinance before my term ends?"





03. MAKING SENSE OF MORTGAGES

Trusted Advice, at Every Step

Finding the right home takes a plan and the right people.

Very few people buy a home entirely on their own. Behind every set of keys is a group of professionals helping move things forward. You don't need to find everyone at once but knowing who does what can make the process feel a lot more manageable.

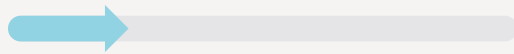
What first-time buyers say:



92% of Canadians are likely to seek advice when buying their first home



92% of Gen Zs and 87% of Millennials plan to seek advice



27% still say a lack of trusted advice is a hurdle to homeownership

³. Subject to approval. Conditions apply.

⁴. Available on Scotia Total Equity[®] Plan (STEP) mortgages (including refinanced STEP mortgages) only with pre-authorized mortgage payments set up from an eligible Scotiabank bank account plus customer must have or open one other eligible Scotia product. Not eligible for mortgage renewals, restructures, or pre-approvals. Additional conditions and exclusions apply. Contact a Scotiabank Home Financing Advisor to learn more. This Program may be changed, withdrawn, suspended, or extended at any time without notice.



Your homebuying team at a glance:

Who They Are	What They Do
Home Financing Advisor	Your Scotiabank mortgage experts, from pre-approval to mortgage selection and financial planning.
Home Financing Lending Manager (HFLM):	Scotiabank's in-house underwriting partner who ensures your deal is reviewed, approved, and funded with care.
Real estate agent	Helps you search, tour, evaluate homes, and make offers.
Real estate lawyer or notary	Handles the legal side, including contracts, title transfer, and closing.
Home inspector	Reviews the home's condition and flags issues you may not spot yourself.
Home insurance provider	Puts the coverage in place that your lender requires and helps protect your investment.

Products & Programs You Should Know

Scotia Total Equity[®] Plan³:

STEP is a flexible borrowing plan tied to the equity in your home.

Scotia Mortgage+ Program:

The Mortgage+ Program⁴ is a customizable banking bundle that gives you access to a preferred mortgage rate.



Ask your Home Financing Advisor:

- "When is the best time to reach out to each type of homebuying professional?"
- "Who is accountable for helping me through each part of the process?"



What's the Closing Period All About?

Your offer was accepted. Now let's keep things moving smoothly.

Having your offer accepted is a big deal. There are just a few important stages between that moment and the day you get to call it home. This closing period is where many of the details come together.



Between offer and closing, here's a to-do list:

- ✓ Finalize any conditions on your offer, such as **financing or inspection**
- ✓ Provide **all required documents** to your lender
- ✓ Complete a **home appraisal**, if required by the lender
- ✓ Confirm that **home insurance** is in place
- ✓ Work with your lawyer to **review and prepare** closing documents
- ✓ **Start packing**

Closing costs you need to budget for:

- ✓ **Land transfer tax:** Varies by province and city. Some areas offer first-time buyer rebates
- ✓ **Legal fees:** Your lawyer's fee for handling the transaction
- ✓ **Home inspection:** Typically around \$300 to \$600
- ✓ **Appraisal fee:** A professional opinion on the home's value, if required
- ✓ **Title insurance:** Protects against issues with the property's legal title
- ✓ **Moving costs:** Professional movers, supplies, storage, and other moving-day expenses

What first-time buyers say:



47% of first-time buyers feel uncertain about the future



What Was That About Insurance?

Home insurance is not the same as mortgage protection insurance. **Home insurance** protects the property.

Mortgage protection insurance can help protect you and your family by covering mortgage payments if you become ill, injured, or pass away.

Meanwhile, **title insurance** is a one-time purchase that can protect you against problems with the property's ownership history, like unknown liens, survey issues, or fraud. Most lenders require it.

Different purposes, all worth understanding. Your Home Financing Advisor can tell you more.

✗ MYTH

"I can change jobs or take on new debt any time before closing."

✓ FACT

Big changes can affect your mortgage approval. If anything changes, tell your Home Financing Advisor right away so they can help you navigate it.

? Ask your Home Financing Advisor:

- "What do you need from me, and by when, to ensure a smooth close?"
- "What should I do if anything changes, like my job, debt, or major purchases, before closing?"

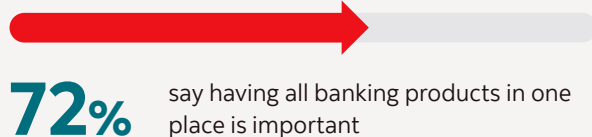


Welcome Home

First month in. Here's what to tackle next.

You did it. The keys are in hand, and the place is yours. But your relationship with your Home Financing Advisor doesn't end at closing. A few smart moves in the first few weeks of homeownership can help set you up for the long term.

What first-time buyers say:



Here's a handy first-month homeowner checklist:

- ✓ **Lock in your home insurance.** Make sure your policy is active and that you understand what's covered.
- ✓ **Set up your mortgage payment schedule.** Choose the payment frequency that works best for your budget.
- ✓ **Start a home maintenance fund.** Even \$50 to \$100 a month can help when repairs come up.
- ✓ **Update your beneficiaries.** On insurance, investments, and any relevant accounts.
- ✓ **Review your overall financial picture.** Your Home Financing Advisor and the wider Scotiabank team can help make sure your mortgage, savings, insurance, and investments are working together.

Keep the conversation going.

Your Home Financing Advisor can help you plan for what's next:

- ✓ **Saving for renovations or upgrades**
- ✓ **Planning for your mortgage renewal**
- ✓ **Building an emergency fund**
- ✓ **Growing your wealth and working toward other financial goals**



Your Scotiabank Home Financing Advisor can help you prepare for these costs, including through savings products, a flexible Scotia Total Equity® Plan (STEP) mortgage and more. They can also connect you to a Scotiabank Financial Advisor for personal finance planning advice.

Your home journey is personal. Your advice should be too.

Buying your first home is a major milestone - exciting, meaningful, and full of possibility. With the right guidance, it doesn't have to feel stressful or uncertain.

You have already taken a smart first step by getting informed. The next step is having a trusted expert by your side.

A Scotiabank Home Financing Advisor is here to guide you with clarity, confidence, and personalized advice, so you can move forward knowing you're making the right decisions.

Book time with a Home Financing Advisor today.

locator.scotiabank.com/advisors/home-financing-advisor



Scan to find an advisor
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1. About the 2025 Scotiabank Housing Poll

This survey was undertaken by The Harris Poll Canada. It ran on September 24th, 2025, to September 26th, 2025, with 3,064 randomly selected Canadian adults who are online panelists of which 1,829 are homeowners and 1,210 are renters.

The results have been weighted by age, gender, region, and education (and in Quebec, language) to match the population, according to Census data. This is to ensure the sample is representative of the entire adult population of Canada.

For comparison purposes, a probability sample of this size has an estimated margin of error (which measures sampling variability) of $\pm 1.8\%$, 19 times out of 20. For homeowners, the margin of error is $\pm 2.3\%$ and for renters, $\pm 2.8\%$. Discrepancies in or between totals when compared to the data tables are due to rounding.

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