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First Time
Home Buyer Guide

Buying your first home is an exciting milestone, but it can also feel overwhelming. This guide breaks down everything you need to know, from **eligibility and tax exemptions** to **step-by-step tips** that will help you feel confident throughout your homebuying journey.

Tara Lucas
Mortgage Specialist

What Makes You a First-Time Home Buyer (FTHB) in BC?

You're considered a First-Time Home Buyer (FTHB) if at least one of the following applies:

- You have never purchased a home before.
- In the last 4 years, you have not occupied a home as your principal residence that either you or your current spouse/common-law partner owned.
- You recently experienced the breakdown of a marriage or common-law partnership.
    - You must have been living separate and apart for at least 90 days before the closing date.
    - If your new spouse or partner owns a home, you must not have occupied it as your principal residence.

Note: These criteria apply to several federal and provincial first-time buyer programs, including the Home Buyers' Plan (HBP) and certain tax exemptions.

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7 Step Guide to Buying Your First Home in BC

#1 → Get Pre-Approved

#2 → Understand Your Down Payment

#3 → Take Advantage of FTHB Programs

#4 → Plan for Other Costs

#5 → Make an Offer

#6 → Final Steps Before Possession

#7 → Plan Your Monthly Budget

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Step-by-Step Guide to Buying Your First Home in BC

#1 → Get Pre-Approved

Before house-hunting, get pre-approved for a mortgage.
This tells you:

- What you can afford
- Your estimated monthly payments
- Which lenders or programs you qualify for

Note: A mortgage broker can shop multiple lenders to find you the best rate and terms.

#2 → Understand Your Down Payment

Minimum down payment:

- 5% for homes up to $500,000
- 10% for the portion from $500,000–$1,500,000
- 20% for homes over $1.5 million

Government of Canada – Down Payment Guidelines

Note: Also budget an additional 1.5% of the purchase price for closing costs.

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#3 Take Advantage of First-Time Buyer Programs

<u>BC Provincial Programs</u>

Property Transfer Tax (PTT) Exemption
Full or partial exemption for qualifying first-time buyers and newly built homes.

The Property Transfer Tax (PTT) is a provincial tax you pay when registering a home's title at the Land Title Office.
<u>Standard PTT Rates:</u>

- 1% on the first $200,000
- 2% on the portion from $200,000 to $2,000,000
- 3% on the portion above $2,000,000
- +2% on the portion above $3,000,000 (if residential)

Estimate your PTT here: <u>BC Real Estate Lawyers Calculator</u>

<u>PTT Exemptions for First-Time Home Buyers in BC</u>
You may qualify for a full or partial exemption if:

- Be a Canadian citizen or permanent resident
- Have never owned a principal residence anywhere in the world
- Have lived in BC for at least 12 consecutive months before registering the property or have filed two BC income tax returns in the last 6 years.
- The property is 1.24 acres or smaller
- The home will be your principal residence
- The home's fair market value is $835,000 or less (2025 threshold)

Note: The PTT exemptions are one-time-only benefits. Once you've claimed them, you can't qualify again on future purchases.

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Exemption details:

- Full exemption: Homes valued up to $835,000
- Partial exemption: Homes valued between $835,000–$860,000

This exemption can save you over $8,000 in closing costs.

Newly Built Home PTT Exemption

If you're buying a newly built home (including pre-sales or owner-built homes):

- Full exemption up to $1,100,000
- Partial exemption up to $1,150,000

Learn more: Vantage West Realty – FTHB Grants & Exemptions

Federal Programs

Home Buyers' Plan (HBP)

Withdraw up to $60,000 per person from your RRSP tax-free for a down payment.

Learn More

First Home Savings Account (FHSA)

Save up to $8,000 per year, tax-free, and withdraw funds to buy your first home.

Learn More

First-Time Home Buyers' Tax Credit (HBTC)

Claim up to $10,000 for qualifying homes, providing about $1,500 in tax relief.

Learn More

GST/HST Rebate for First-Time Buyers (Announced May 2025) – COMING SOON

- Up to $50,000 rebate for newly built homes.
- Applies to homes valued up to $1,000,000 (phasing out at $1.5M).
- Effective for agreements entered on or after May 27, 2025.

Learn More

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30-Year Insured Mortgage (2025)
Available for first-time buyers purchasing new or existing homes, offering longer amortization and lower monthly payments.
Learn More

Energy Efficiency Savings for First-Time Home Buyers
CMHC Eco Improvement & CMHC Eco Plus Programs:

If you're buying your first home with less than 20% down, your mortgage will typically require CMHC mortgage loan insurance. CMHC offers two programs that can help reduce the cost of this insurance if your home is energy efficient or if you plan to make energy-efficient upgrades.
Learn More Eco Plus
Learn More Eco Improvement

Note: The First-Time Home Buyer Incentive Program was discontinued in March 2024.

#4 → Plan for Other Costs

Beyond your down payment, budget for:

- Home inspection
- Legal/notary fees
- Property tax adjustment
- Appraisal fees
- Title insurance
- Moving expenses

These typically total about 1.5% of your purchase price.


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#5 → Make an Offer

When you find your home:

- Submit a written offer through your realtor
- Include conditions (financing, inspection, etc.)
- Negotiate price and terms

At this stage, your mortgage broker will finalize your approval and secure your mortgage funds.

#6 → Final Steps Before Possession

- Sign closing documents with your lawyer/notary
- Arrange home insurance
- Transfer utilities and services
- Get your keys and celebrate!!

#7 → Plan Your Monthly Budget

Be sure your budget accounts for:

- Mortgage principal + interest payments
- Property taxes (PT)
- Home insurance
- Utilities (hydro, gas, water, internet)
- Condo/strata fees (if applicable)

Note: Ensure you take advantage of the Home owners grant – click here for more details.
This can save you up to $770 annually in property taxes!
A balanced monthly plan keeps your new home affordable and stress-free.


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