



BUYING YOUR FIRST HOME IN SASKATCHEWAN AS A NEWCOMER

with Chris Paradis & Ryan Tomyn



Today:

- Current Saskatoon Real Estate Market
- Buying vs renting
- Buying Process
- New to Canada requirements
- Credit Score
- Financing your home
- Credit Score & History
- Finding the right home & types of home
- First-time home buyers benefits
- Buying private vs MLS property
- Q&A with Chris Paradis and Ryan Tomyn

Who are we?

Chris Paradis (She/Her)

Chris brings a wealth of knowledge about the Real Estate and the Mortgage Industry. She has nearly 30 years of experience, as a Realtor and Mortgage Broker.

Chris' role as a Mortgage Broker is to customize your mortgage needs and negotiate on your behalf. She has a strong relationship with a wide variety of lenders. She will negotiate terms, interest rate, and ensure that the type of mortgage you require will meet your goals.

Chris offer unbiased advice, online and after business hours appointments.

Outside of work Chris enjoys spending time with her family and friends, time at the lake and following her sports teams. Go Blue Jays!

Ryan Tomyn (He/Him)

Ryan was born and raised in Warman, SK. He started his career as a Realtor with RE/MAX in May 2012. Ryan has personal experience in home building and investing in different types of revenue properties. Ryan's role as a realtor is to seamlessly guide his clients through the home buying & selling process and get them their desired result, building a long-term relationship in the process. He continues to expand his network in the Saskatoon and North regions. With over 10 years in business, he is licensed to sell residential, farm, and commercial/investment properties. In his spare time, you can find him on the mats training martial arts or spending time with family and his dog Coco.



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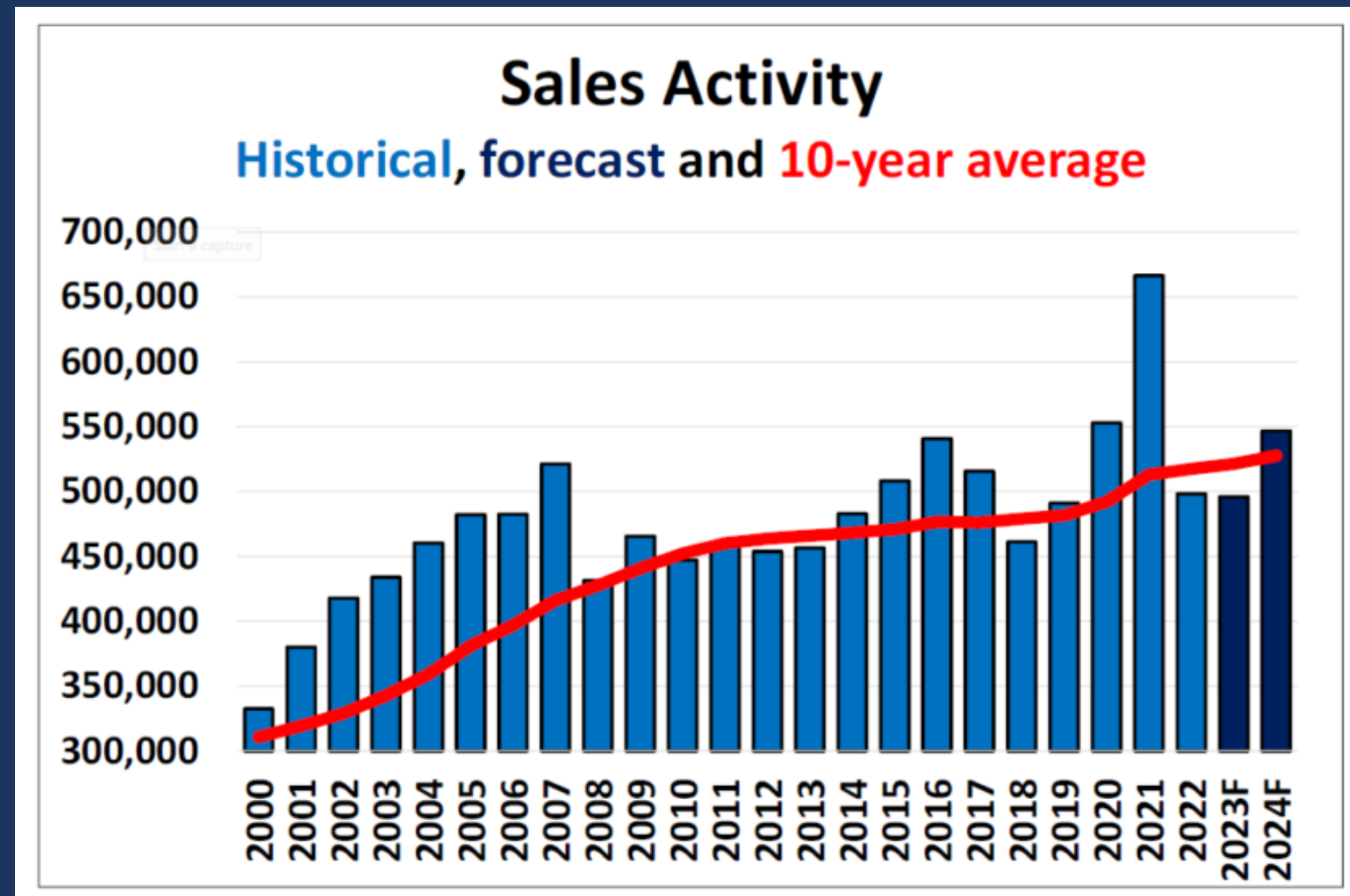
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Market Trends 2024

- **Low** inventory and **high-interest** rates are the biggest challenges for homebuyers in this region, with many looking for properties that include secondary suites for an additional source of income.
- First-time home purchases are driven by newcomers who are primarily looking for single-detached homes and condominiums with two to three bedrooms.
- New construction projects and builds are proceeding, however, developers cannot keep up with the current demand due to ongoing material costs and labour shortages.



Buyer's Timeline





**Are you ready for
home ownership?**

Are you ready for home ownership?

Renting

Pros:

- Less maintenance and repairs;
- Shorter-term commitment, making it easier to move to a new home, neighbourhood or city;
- Protection from a decrease in property values
- Possibility to free up cash to invest or to save a larger down payment for a home

Cons:

- Monthly payments may increase after a year
- The risk that your lease won't be renewed
- You are paying someone else's mortgage rather than building equity of your own
- You can't paint or remodel without the landlord's permission

Buying

Pros:

- Freedom to renovate or modify your home as you wish
- You are building up equity in a safe, secure investment as you pay down your mortgage
- Potential for rental income if you include a secondary suite or basement
- Stability and peace of mind that comes from being in control of your investment and owning the place you live

Cons:

- The risk of a financial loss if your home has lost value when you sell
- Responsibility for all ongoing costs, including mortgage and interest, property taxes, insurance and maintenance
- Possibility of unexpected and potential costly repairs

Understanding the costs to buy a Home

Closing and other one-time costs

- Home Inspection
- Moving costs
- Lawyer's/ Notary fees
- Appraisal
- Utility hook-up

Ongoing Costs

- Mortgage payments
- Maintenance/condo fees
- Property taxes
- Home owner's insurance
- Utilities (hydro, gas, water)
- Services (phone, cable, internet)
- Home Repairs

As a rule of thumb set aside up to 1.5% of the purchase price for closing costs.

New to Canada Purchase Requirements

Credits Requirements are based on the loan-to-value ratio of the borrower:

90.01% - 95% - Option 1: International credit bureau **OR**
Option 2: 12 months rental payment history, confirmed via a letter from the borrower's landlord and supported by 12 months of bank statements confirming rental payments; AND
At least one utility payment confirmed via letter from the service provider or 12 months of bill statements confirming regular payments.

All forms of alternative credit information used to qualify must have been established in Canada.

90% or less - 6 months verifiable bank statements from a recognized Canadian financial institution or from a financial institution of the country of origin; OR
a letter of reference from the borrower's financial institution of the country of origin confirming a minimum of 6 months satisfactory banking relationship.

Borrower Qualifications:

- Must have immigrated to Canada within the last 5 years.
- Minimum 5% down payment from borrower's own resources. The remainder may be gifted from a close family member. No borrowed down payments are permitted.
- Borrower required to have permanent resident status.
- Minimum 3 months of full-time employment in Canada.
- No mortgage delinquencies, previous bankruptcies or foreclosures.
All debts held outside Canada must be included in qualification ratios.
- All borrowers must be permitted to purchase residential property in Canada in accordance with the Prohibition on the Purchase of Residential Property by Non-Canadians.

Credit Score in Canada

A good credit score helps you qualify for low-interest rate loans, mortgages, and credit cards.

What's a good credit score?

According to Equifax, credit score ranges are:

- 300 to 559 is considered "poor."
- 560 to 659 is considered "fair."
- 660 to 724 is considered "good."
- 725 to 759 is considered "very good."
- 760 to 900 is considered "excellent."

Source: What is a Good Credit Score?, [Equifax](#)

Tips to improve your credit score:

- Pay your bills on time, every time.
- Keep your credit card balance well below the limit.
- Apply for credit sparingly - applying for multiple credit accounts within a short period of time may impact your credit score.
- Establish credit history - The longer you have a credit account open and in use, the better it is for your score.
- Use different types of credit - It can be a good idea to have a mix of credit products, such as a car loan, credit card and a line of credit. Don't take on more debt than you can afford.
- Limit your number of credit applications or credit checks.

Source: Improving your credit score, [Financial Consumer Agency of Canada](#)





**What is a
mortgage
pre-
approval?**

What is a mortgage pre-approval

When you're shopping for a mortgage, you can compare options offered by different lenders. Mortgage lenders have a process which may allow you to:

- Know the maximum amount of a mortgage you could qualify for
- Estimate your mortgage payments
- Lock in an interest rate for 60 to 130 days, depending on the lender

During this process, the lender looks at your finances to find out the maximum amount they may lend you and at what interest rate. They ask for your personal information, various documents and they likely run a credit check.

This process does not guarantee your approval for a mortgage.

What to provide to your Lender or Mortgage Broker

You'll need to provide the following:

- Government identification
- Proof of employment
- Proof you can pay for the down payment and closing costs
- Information about your other assets, such as a car, cottage or boat
- Information about your debts or financial obligations, such as car loans, any other debts

For proof of employment, you may have to provide:

- A proof of your current salary or hourly pay rate (for example, a recent pay stub)
- Your position and length of time with the employer
- Notices of assessment from the Canada Revenue Agency for the past 2 years, if you're self-employed

Your lender or mortgage broker may ask you to provide recent financial statements from bank accounts or investments. This will help them determine if you have the down payment.

Mortgages

Your mortgage needs are as unique as you are, so that's why it's important to choose a mortgage professional who allows you to feel comfortable asking questions.



Understand your mortgage options:

- Start by getting **pre-qualified** to understand what you could afford. There's no hard credit check, so it's a good place to start when considering mortgage options.
- Plan and save for the down payment you will need to purchase your home.
- Figure out if you will need mortgage loan insurance.
- Use online mortgage tools to calculate, plan, and save.
- Work with a Mortgage broker to explore different types of mortgages and choose the best one for you.

Working with a Mortgage Broker

Where will we start?

- Mortgage application
- Signed consent forms
- Review Income
- Review the down payment and the source of it
- What do you qualify for?
- How much money do you need to close?
- Discuss rates and lender options.
- Credit check

Then we get to the Good Stuff - You will know;

- Mortgage amount and Purchase Price you qualify for.
- How much money do you need?
- Review and understand the costs (to purchase and carry the new mortgage).
- Documents required once you have an accepted Offer to Purchase.



You are now Prequalified!

A Pre Qualification Letter will be provided upon request so you can go Home shopping!

Mortgage brokers generally don't charge fees for their services. Instead, they usually receive a commission from the lender when they arrange a transaction.

Getting Pre-Approved

What's the point?



- ✓ Loan type
- ✓ Confirm your borrowing capacity
- ✓ Down payment
- ✓ Lender costs
- ✓ Estimated Costs

Mortgages

The loan you get from a lender to help pay for your home is a **mortgage**.

A mortgage is a *legal contract* between you and your lender. It specifies the details of your loan and it's secured on a property, like a house or a condo.

Decisions to make:

- Interest-rate type: Fixed or variable
- Amortization length: 5 to 30 years
- Term length: 6 months to 25 years
- Term type: Open or Closed
- Payment frequency: monthly, semi-monthly, bi-weekly, weekly, accelerated

Homeowners are required to make regular payments towards their mortgage. If mortgage payments aren't made, the lender can take possession of your property; so it's essential to choose your mortgage plan thoughtfully and to ask the right questions along the way.



Mortgage



Type of Interest Rate

Fixed

Interest rate stays the same for the term of your mortgage

Variable

Interest rate varies with bank's prime rate

Type of Term

Open - offers flexibility.

Mortgage can be paid off in full or in a part at any time without penalty

Closed - offers a consistent, predetermined interest rate.

Penalty may apply for partial payment or payment full ahead of schedule

Mortgage



Type of Interest Rate

Fixed

Interest rate stays the same for the term of your mortgage

Variable

Interest rate varies with bank's prime rate

Amortization and Term

Amortization

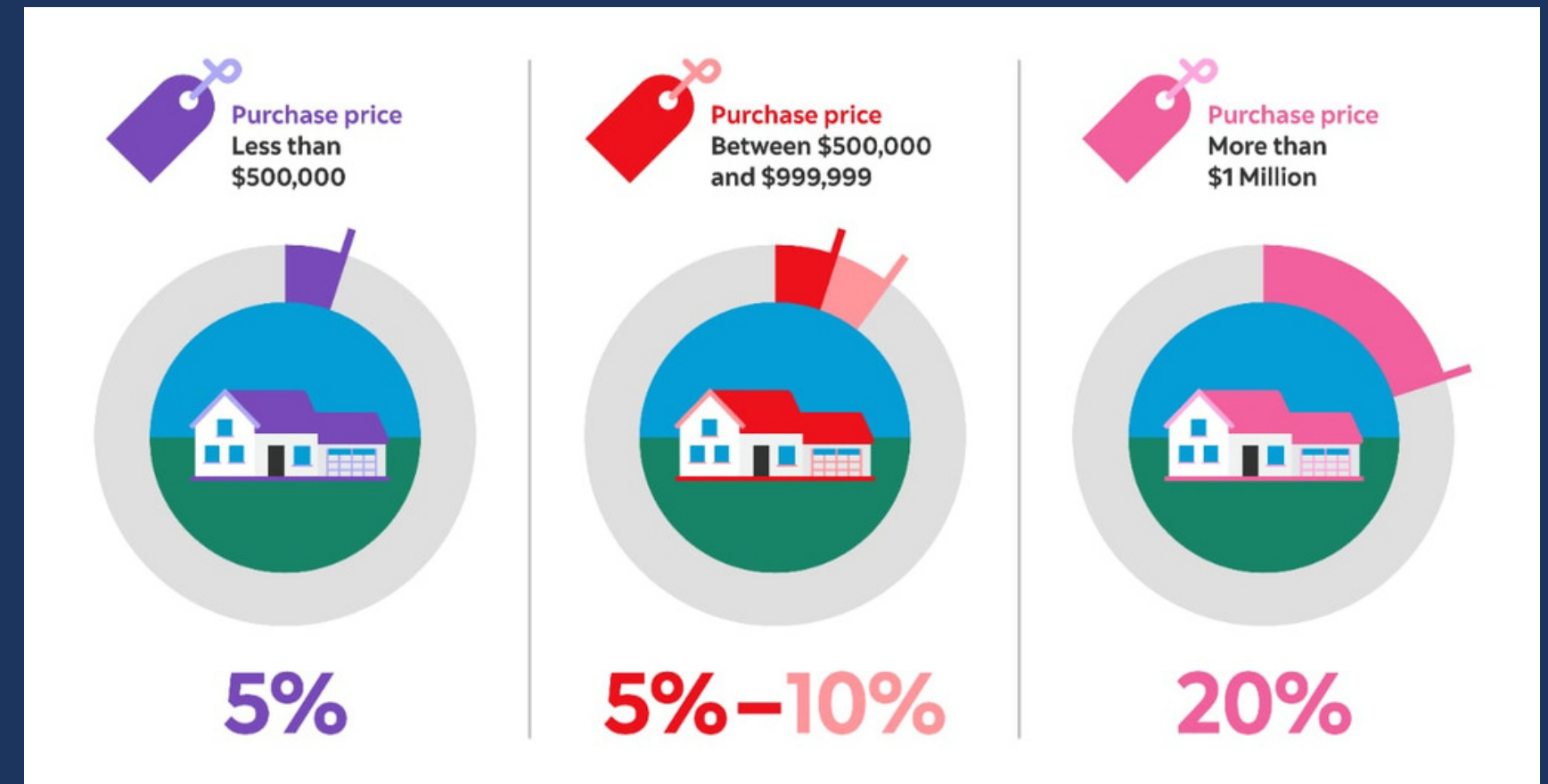
The amount of time needed to pay off the mortgage in full (typically 20, 25, or 30 years)

Term

The length of time you agree to a specific interest rate and payment amount (typically 1 to 5 years)

Down Payments

- A down payment is the amount you're required to pay upfront. The amount of down payment you need depends on the home's purchase price.
- A down payment is typically made in cash, with the remaining cost of the home covered by a mortgage.
- The bigger the down payment, the smaller the mortgage. At least for a little while, your **home equity** will be equal to your down payment amount.



Source: Scotiabank

- For homes costing up to \$500,000, the minimum down payment is 5%.
- For homes costing between \$500,000 and \$999,999, the minimum down payment is 5% of the first \$500,000, plus 10% of any amount over \$500,000.
- For homes costing \$1 million or more, the minimum down payment is 20%.

Down Payments

How do you get a down payment?

You can use the following for your down payment:

- Cash (such as the money available in your bank accounts)
- Investments
- Gifts (from a family member for example)
- Your FHSA or your RRSP



Finding a Realtor

- Ask a trusted friend, family member or co-worker for a referral of a good agent.
- Search online and check out Google reviews.
- Working with a Realtor as a buyer is FREE.
- Make sure they understand your buying needs and are competent to help you get the result you need.
- Pick *one* Realtor and work with them solely.
- They will represent you and can make inquiries/walk you through any property listed.
- A Realtor is obligated to keep your personal information and buying motives private, they will use their experience to do thorough due diligence on the property before the sale becomes final, and they will be completely transparent and disclose any negative aspects revealed about a property.



Finding the right home

What do you want or need in a home?

Look for a home that will meet your needs not just today but also 5 or even 10 years into the future.



Location

Do you want to live in Downtown, in the suburbs or in a more rural environment? Do you want to live close to work, school, recreation facilities, shopping?



Size

How many bedrooms, bathrooms do you need? Do you need a garage? Extra rooms for when family members come to visit?



Special Features

Is an air conditioner or big backyard on your list? Is it important that your home be energy efficient? Do you have family members with special needs?



Lifestyle

Are you planning to have children? Do you want to bring your parents to Canada? Do you want to live where you can go for walks or take your kids to the park? Is it important to live close to family or friends?

Types of Home

Condominium (or "Condos") are a type of ownership rather than a type of home.

You own your unit and share ownership of the common areas with other unit owners.

You pay monthly fees to a condo corporation that handles maintenance and repairs as required. Condos are attractive for first-time home buyers because they are usually one of the *less expensive* options.

The condominium corporation is responsible for repairing and maintaining the common property. The corporation may also regulate the changes you can make to your unit.



Types of Home

Townhouses are rows of similar to semi-detached houses, except they share a wall with neighbours on each side of the house (unless you live in an end unit). Townhouses may or may not include outdoor space like a backyard or rooftop patio.

Duplex/ Semi-detached home is an individual unit that shares one common wall with another household. Owners are responsible for their side of the property.

Single/ Detached Home stands on its own and doesn't share a wall with any other residences. Often, detached homes have front and back yards.



Townhouse



Semi-detached home



Detached Home

A vertical bar on the left side of the image, consisting of four colored stripes: red, green, yellow, and blue.

FIRST-TIME HOME BUYERS INCENTIVES & CREDITS

First-time Home Buyer Incentive

What is the incentive?

The First-time Home Buyer Incentive, offered by the Canada Mortgage and Housing Corporation (CMHC), helps first-time buyers increase their down payment. It has two objectives:

- Make homeownership more accessible for first-time buyers;
- Encourage developers to build homes to ensure that housing stock can meet the increased demand that the incentive will create.

How much is the First-Time Home Buyer Incentive?

The incentive amounts to 5% of the property's value for an existing home and 5% or 10% for a new home. The incentive is an interest-free loan. It must be reimbursed when the property is sold or within 25 years of purchase. The amount repaid will be based on the property's value at the time.

Just as the name implies, this incentive is for first-time home buyers. You're considered a first-time home buyer if:

- You have never purchased a home before.
- You did not occupy a home that you or your current spouse or common-law partner owned in the last 4 years.
- You have recently experienced the breakdown of a marriage or common-law partnership (even if you don't meet the other first-time home buyer requirements).
- **To qualify for this incentive, your annual income must be \$120,000 or less.**



Example

Anita wants to buy a new home for **\$400,000**.

Under the First-Time Home Buyer Incentive, Anita can apply to receive **\$40,000** in a shared equity mortgage (10% of the cost of a new home) from the Government of Canada. This lowers the amount she needs to borrow and reduces her monthly expenses.

As a result, Anita's mortgage is **\$228** less a month or **\$2,736** a year.

Source: [Canada's First-Time Home Buyer Incentive - CMHC](#)

The Home Buyer's Plan (HBP)

What is the incentive?

- You can use the Home Buyer's Plan (BHP), if you are eligible, to make a **tax-free withdrawal from your registered retirement savings account (RRSP) to buy or build a home.**
- The BHP allows each borrower to withdraw up to \$35,000 (\$70,000 for a couple). You have 15 years to repay what you borrowed, interest-free, starting two years after you withdraw.

Who is eligible?

- For first-time home buyers, the program is also open to people who have not occupied a home that they or their spouse owned during the past four years. People who are **divorced or separated** are also eligible for this program.

Note: You are also eligible for the HBP if you buy or build a qualifying home for someone related to you with a disability or help someone related to you with a disability to buy or build a qualifying home.

Provincial non-refundable income tax credit - Saskatchewan:

[First-Time Homebuyers' Tax Credit](#)



First-Time Home Buyers' Tax Credit

What is the incentive?

- The First-Time Home Buyers' Tax Credit, also known as HBTC, is a **federal** non-refundable government incentive to make homeownership more affordable for Canadians.

Eligible first-time home buyers can claim a \$10,000 non-refundable income tax credit, which could result in a tax credit of up to \$1,500 to eligible home buyers.

To be eligible for the HBTC, you (or your spouse or common-law partner) must:

- Buy a qualifying home registered in your (or your spouse's or common-law partner's) name. It can be an existing property or under construction.
Be a first-time homeowner.
- The qualifying home must become your principal place of residence within one year after it's bought or constructed.
Eligible persons with disability can apply for a tax credit without needing to be a first-time home buyer.

For more information, visit: [First-Time Home Buyers' Tax Credit \(HBTC\)](#)

Provincial non-refundable Income Tax Credit - Saskatchewan:

[First-Time Homebuyers' Tax Credit](#)



First-Time Home Buyers' Tax Credit

The First-Time Homebuyers' Tax Credit is a **provincial** non-refundable tax credit of up to \$1,050 to eligible taxpayers on qualified homes. To claim this tax credit on your SK Income tax return, use Form SK428, available on the Canada Revenue Agency.

- The First-Time Homebuyers Tax Credit provides a provincial non-refundable income tax credit to eligible first-time homebuyers.
- Eligible homebuyers acquiring qualified homes after December 31, 2011 will; be able to claim the personal income tax credit.
- This income tax measure provides a provincial non-refundable tax credit of \$1,050 to eligible taxpayers, determined by applying the provincial tax credit rate of 10.5% to the first \$10,000 of an eligible home purchase. A similar federal non-refundable income tax credit is also available.
- Eligibility mirrors those of the existing federal tax credit.



For more information about the Provincial non-refundable Income Tax Credit - Saskatchewan, please visit:

[First-Time Homebuyers' Tax Credit](#)

First Home Savings Account (FHSA)

A first home savings account (FHSA) is a registered plan allowing you, as a prospective first-time home buyer, to save for your first home tax-free (up to certain limits). You can open an FHSA starting **April 1, 2023**.

- ✓ Use it to save up to \$40,000 for your first home
- ✓ Contribute tax-free for up to 15 years
- ✓ Unused contribution room can be carried over to the next year, up to a maximum of \$8,000
- ✓ Potentially reduce your tax bill and carry forward undeducted contributions indefinitely.
- ✓ Pay no taxes on any investment earnings
- ✓ Complements the Home Buyers' Plan (HBP)

Who can open an FHSA:

You are a qualifying individual if you meet all of the following requirements at the time the account is opened:

- ✓ 18 years of age or older
- ✓ a resident of Canada
- ✓ a first-time home buyer

For more information, visit: [First Home Savings Account - Government of Canada](#)



Your FHSA participation room in the year that you open your first FHSA = \$ 8,000
The lifetime FHSA limit = \$40,000

Buying Private Vs Buying a MLS Property

- Most of the homes you will come across online will be listed through the MLS (Multiple Listings Service) and listed by a Realtor.
- You may also come across homes listed privately (Kijiji, Facebook Marketplace, Saskhouses.com, Propertyguys.com) listed solely by the homeowner.
- If you've already spent time working with a Realtor, ask your agent to inquire on the private home you've come across. They can reach out to the homeowner on your behalf and can most often still schedule a showing with you.



Buying Private **Vs** Buying with a Realtor

Pros:

- You MAY get a good price as there are no commissions involved in the sale for the seller to pay.

Cons:

- You are left alone to negotiate the best purchase price.
- You have to navigate the entire due diligence process on your own and may miss adding important conditions/ terms on the sale that could lead you to significant financial loss in the future.
- You have to deal with unfamiliar contracts & paperwork.
- You would have to pay a lawyer to do the deal for you, which isn't the case when you work with a Realtor.

Resource Links

Guides:

[Home buying step-by-step](#)

[Condominium Buyers Guide](#)

[Newcomers' Buying Guide](#)

Useful Information:

[Affordability Calculator](#)

[Debt Service Calculator](#)

[Mortgage Calculator](#)

[Mortgage Planning Tips](#)

Resource Links

First-Time Home Buyers Incentive:

[First-Time Home Buyer Incentive](#)

[National Bank](#)

[First-Time Home Buyers Tax Credit](#)

[GST/HST New Housing Rebate](#)

[Government of Canada Homebuyer Incentives and Rebates -](#)

[CMHC](#)

[First Time Home Buyer Tax Credit - Government of](#)

[Saskatchewan](#)

[First Home Savings Account \(FHSA\)](#)

Resource Links

Credit Score:

[Financial Consumer Agency of Canada](#)

[Getting your credit report and credit score](#)

[Credit Report - CMHC](#)

[Understanding your credit score](#)

Home Search Website:

[Realtor](#)

[Ryan Tomyn](#)

Mortgage Information

[Mortgages Government of Canada](#)

[Chris Paradis](#)



Q&A with Chris Paradis & Ryan Tomyn

For more questions, you can email or call:

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**SASKATCHEWAN
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Promoting harmony among all people