

First-Time Home Buyer Incentive

The Government of Canada's First-Time Home Buyer Incentive helps make homeownership more affordable. Take a look at some financial scenarios to see how different households may benefit from the Incentive, also referred to as a **Shared Equity Mortgage (SEM)**.



The Andersons

Annual Qualifying Income: \$150,000 | Living Location: Toronto | Down Payment (must be at least 5%): \$70,000
Property Type: Existing (5% SEM) | Maximum Purchase Price: \$745,000 | Shared Equity Mortgage (SEM) Amount: \$37,250 (5%)

Without a Shared Equity Mortgage (SEM)

VS

With a Shared Equity Mortgage (SEM)

Potential Payment Reductions With SEM
\$2,498
in the first year

\$745,000	Purchase Price	\$745,000
\$70,000	Down Payment	\$107,250 <small>(70,000 + 37,250 SEM)</small>
\$702,000	Mortgage Amount \$44,480 lower	\$657,520
\$283,881	Interest Cost \$17,986 lower	\$265,895
\$27,000	Mortgage Insurance Premium \$7,230 lower	\$19,770
\$3,286	Monthly Mortgage Payment \$208.22 lower	\$3,078



The Guptas

Annual Qualifying Income: \$150,000 | Living Location: Vancouver | Down Payment (must be at least 5%): \$50,000
Property Type: New (10% SEM) | Maximum Purchase Price: \$725,000 | Shared Equity Mortgage (SEM) Amount: \$72,500 (10%)

Without a Shared Equity Mortgage (SEM)

VS

With a Shared Equity Mortgage (SEM)

Potential Payment Reductions With SEM
\$4,642
in the first year

\$725,000	Purchase Price	\$725,000
\$50,000	Down Payment	\$122,500 <small>(\$50,000 + 72,500 SEM)</small>
\$702,000	Mortgage Amount \$82,630 lower	\$619,370
\$283,881	Interest Cost \$33,416 lower	\$250,465
\$27,000	Mortgage Insurance Premium \$10,130 lower	\$16,870
\$3,286	Monthly Mortgage Payment \$386.82 lower	\$2,899



Danielle

Annual Qualifying Income: \$70,000 | Living Location: Montréal | Down Payment (must be at least 5%): \$30,000
Property Type: Existing (5% SEM) | Maximum Purchase Price: \$310,000 | Shared Equity Mortgage (SEM) Amount: \$15,500 (5%)

Without a Shared Equity Mortgage (SEM)

VS

With a Shared Equity Mortgage (SEM)

Potential Payment Reductions With SEM
\$1,120
in the first year
\$12,503
over 25 years

\$310,000	Purchase Price	\$310,000
\$30,000	Down Payment	\$45,500 <small>(\$30,000 + \$15,500 SEM)</small>
\$291,200	Mortgage Amount \$18,500 lower	\$272,700
\$149,586	Interest Cost \$9,503 lower	\$140,083
\$11,200	Mortgage Insurance Premium \$3,000 lower	\$8,200
\$1,469	Monthly Mortgage Payment \$93.35 lower	\$1,376



Isiah and Renee

Annual Qualifying Income: \$150,000 | Living Location: Victoria | Down Payment (must be at least 5%): \$35,000
Property Type: Existing (5% SEM) | Maximum Purchase Price: \$600,000 | Shared Equity Mortgage (SEM) Amount: \$30,000 (5%)

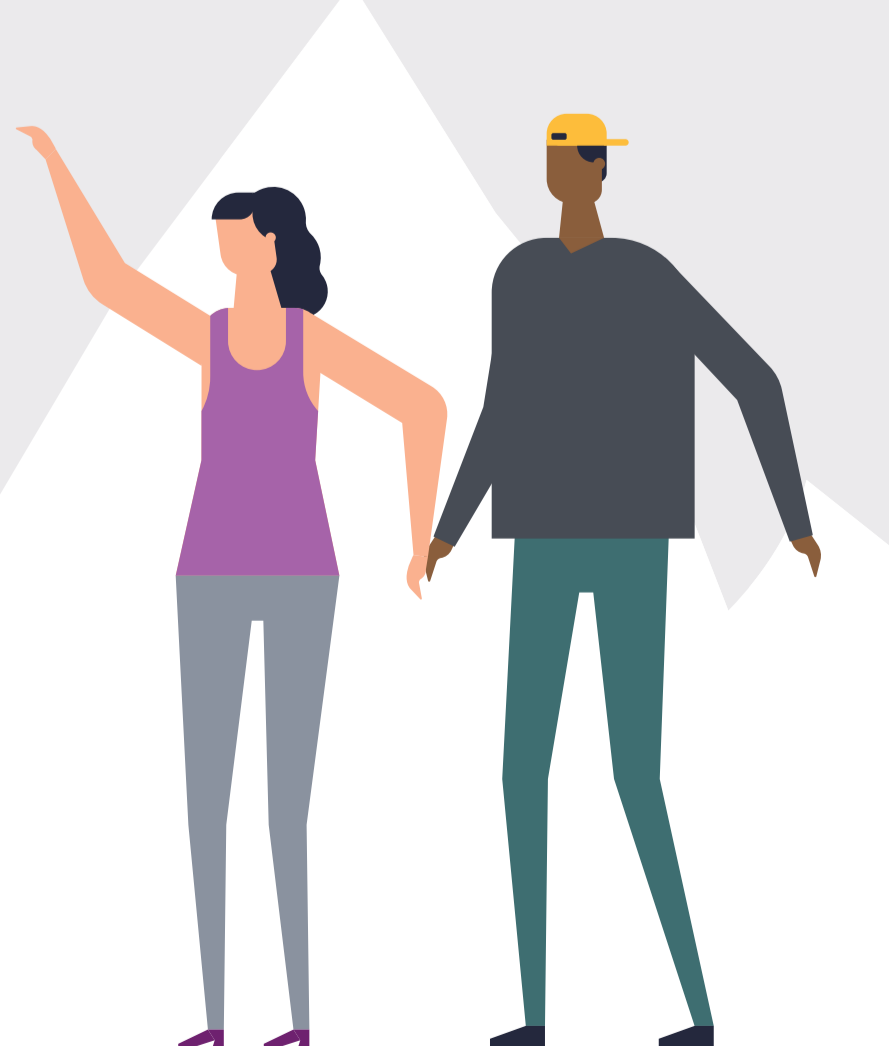
Without a Shared Equity Mortgage (SEM)

VS

With a Shared Equity Mortgage (SEM)

Potential Payment Reductions With SEM
\$2,023
in the first year

\$600,000	Purchase Price	\$600,000
\$35,000	Down Payment	\$65,000 <small>(\$35,000 + \$30,000 SEM)</small>
\$587,600	Mortgage Amount \$36,015 lower	\$551,585
\$237,613	Interest Cost \$14,604 lower	\$223,015
\$22,600	Mortgage Insurance Premium \$6,015 lower	\$16,585
\$2,750	Monthly Mortgage Payment \$168.60 lower	\$2,582



Examples are based on the maximum purchase price for each scenario, a 25 year mortgage, a 2.9% interest rate and a monthly mortgage payment frequency. Some numbers have been rounded for illustration purposes.

Repayment: Homeowners can repay the incentive at any time in full without a pre-payment penalty. The incentives must be repaid after 25 years or if the property is sold, whichever happens first. The repayment amount is based on the property's fair market value at the time of repayment.