

FOR FIRST-TIME BUYERS IN FERGUS, ELORA, GUELPH AND WELLINGTON COUNTY

What a first home here really costs.

The rebates you qualify for, the land transfer tax, the closing costs nobody mentions, what a monthly payment looks like at today's rates, and the parts of the process that catch people off guard.

October 2026 edition. Numbers checked against federal and Ontario program rules and posted lender rates on October 24, 2026.



I wrote this because the same five questions come up every time.

Most first-time buyers I meet have done a lot of reading and still don't know the one number that matters: how much cash they need on the day they get the keys, and what the house costs them every month after that. Portals won't tell you. Lenders tell you what you can borrow, which is a different question.

So this is the conversation I have with every first-time buyer, written down. It uses real local prices, today's rates, and the rules as they stand right now. Nothing in it is a pitch. If you read it and decide to rent another year, that's a perfectly good outcome.

One warning: rates, rebates and rules change. The edition date is on the cover. If you're reading this more than a few months later, ask me for the current version.



Kris Butler
REALTOR®, M1 Real Estate Brokerage
Ltd.
226-383-9484 ·
kris@butlerrealestate.ca

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Cash to close on a \$650,000 home in Fergus.

\$650,000 is a realistic first home in Fergus right now: a semi, a townhouse, or an older detached. Here is everything you hand over before you get the keys, assuming the smallest down payment allowed and the first-time buyer rebates applied.

WHAT	HOW IT'S WORKED OUT	AMOUNT
Down payment	5% of the first \$500,000, 10% of the rest	\$40,000
Ontario land transfer tax	\$9,475 less the \$4,000 first-time buyer refund	\$5,475
PST on the mortgage insurance premium	8% of the \$25,620 premium, paid on closing (the premium itself is added to the mortgage)	\$2,050
Lawyer, title insurance, registrations	Typical range in Wellington County \$1,800 to \$2,800	\$2,300
Home inspection	Done before you firm up, not at closing	\$550
Adjustments	Property tax and utilities the seller prepaid; varies, often \$500 to \$1,500	\$1,000
Moving	A local move with movers, or a truck and friends	\$1,500
Cash to close		about \$52,900

The honest version: have \$55,000 to \$60,000 set aside for a \$650,000 home, because something always comes up in the first month (a fridge, a furnace service, a fence). The down payment is only about three-quarters of what you actually need.

Assumes a resale home (no HST), a 5-year fixed insured rate of 4.34% for the payment figures later on, and that you qualify for the Ontario first-time buyer refund. Lawyer and adjustment figures are typical, not quotes. Your lawyer will give you an exact statement of adjustments a few days before closing.

You don't need 20%. Here's what you do need.

Under \$500,000, the minimum down payment is 5%. Between \$500,000 and \$1.5 million it's 5% of the first \$500,000 and 10% of everything above that. At \$1.5 million and up it's 20%, and the home can't be insured at all. Almost every first home in Wellington County is in the middle band.

With less than 20% down your mortgage has to be insured (CMHC, Sagen or Canada Guaranty; your lender picks). The premium is a percentage of the mortgage and it's added to the loan, so you don't pay it in cash. You do pay 8% Ontario sales tax on the premium at closing, which is the \$2,050 on the previous page that surprises people.

Premium rates

4.20% of the mortgage with 5% to 9.99% down. 3.30% with 10% to 14.99%. 3.00% with 15% to 19.99%. Nothing at 20%.

Is a bigger down payment worth it?

Going from 5% to 10% down on \$650,000 means finding another \$32,500 in cash, and it cuts the premium from \$25,620 to about \$19,300. That saves you around \$6,300 plus the interest on it over the life of the mortgage. Worth it if the money is sitting there. Not worth draining your emergency fund for. Most first-time buyers here put down between 5% and 10%, and that's fine.

Where the down payment can come from

Your savings, an FHSA, an RRSP withdrawal under the Home Buyers' Plan, a gift from a family member (the lender needs a signed letter saying it isn't a loan), or the sale of something you own. What it can't be: borrowed from a line of credit without the lender knowing. They check.

\$550,000

\$30,000

Minimum down (5.5%). Insured mortgage \$541,840.

\$650,000

\$40,000

Minimum down (6.2%). Insured mortgage \$635,620.

\$750,000

\$50,000

Minimum down (6.7%). Insured mortgage \$729,400.

Ontario's tax on buying, and the \$4,000 back.

Ontario charges land transfer tax on every purchase. It's paid through your lawyer on closing, and it climbs in steps: 0.5% on the first \$55,000, 1% up to \$250,000, 1.5% up to \$400,000, 2% up to \$2 million. Outside Toronto there is no second municipal tax, which is one of the quiet advantages of buying here.

First-time buyers get up to \$4,000 of it refunded. On anything over about \$368,000 you get the full \$4,000, and your lawyer claims it on the spot so you never pay it.

You're at least 18, a Canadian citizen or permanent resident, you've never owned a home or a share of one anywhere in the world, and you'll live in it within nine months. If you're buying with a spouse who has owned a home before, the rules get specific: a spouse who owned a home while you were together usually disqualifies both of you. Ask your lawyer early, not at closing.

Buying with a friend or sibling who isn't a first-time buyer? Each of you claims your share of the refund, so a 50/50 purchase with one eligible buyer gets \$2,000.

Who qualifies

PURCHASE PRICE	LAND TRANSFER TAX	FIRST-TIME BUYER REFUND	YOU PAY
\$550,000	\$7,475	\$4,000	\$3,475
\$650,000	\$9,475	\$4,000	\$5,475
\$750,000	\$11,475	\$4,000	\$7,475
\$865,000 (Elora median)	\$13,775	\$4,000	\$9,775

Resale homes don't carry HST. A brand-new home from a builder does, which is where the federal GST rebate on page 8 comes in.

The ones people forget, and the ones that aren't real.

Lawyer

You need a real estate lawyer; the bank won't close without one. Budget \$1,800 to \$2,800 all in for a straightforward purchase in Wellington County, which covers their fee, title insurance (a one-time policy, usually \$300 to \$500, protecting you against problems with the title), title search and registration fees, and disbursements. Get a quote that says "all in" so you're not surprised by the extras.

Home inspection

\$450 to \$650 for a typical house, more for a large or rural property with a well and septic (those need their own tests, often another \$300 to \$600). You pay this before you firm up the deal, so it's money spent even if you walk away. That's the point of it.

Adjustments

If the seller paid property tax to the end of the year and you close in October, you reimburse them for November and December. Same with prepaid utilities or a filled oil tank. Your lawyer works it out. Usually a few hundred to \$1,500.

Appraisal

Sometimes required by the lender, \$300 to \$500. Often waived on an insured mortgage.

Moving and the first month

A local move with movers is \$800 to \$2,000. Then there's the stuff nobody budgets: a lawnmower, curtains, a second set of keys, changing the locks (do this), the first oil or propane fill on a rural home. Call it \$1,500 to \$3,000 in the first 60 days.

Not real

You don't pay your buyer's agent in most purchases here; the seller's side pays the cooperating commission. I'll show you exactly how that works and what you'd owe in the rare case a seller offers less, before you sign anything with me. There's also no "CMHC fee" beyond the premium already covered, and no HST on a resale home.

The payment, and the other half.

Rates on October 24, 2026: the best insured 5-year fixed is about 4.34%, the best 5-year variable about 3.43%. First-time buyers on an insured mortgage can take a 30-year amortization, which lowers the payment and costs more interest over time.

PURCHASE PRICE	INSURED MORTGAGE	5-YR FIXED 4.34%, 30 YRS	SAME, 25 YRS	VARIABLE 3.43%, 30 YRS
\$550,000	\$541,840	\$2,694	\$2,963	\$2,412
\$650,000	\$635,620	\$3,160	\$3,476	\$2,829
\$750,000	\$729,400	\$3,627	\$3,988	\$3,247

The other half

The mortgage is not the whole bill. On a \$650,000 Fergus home, add roughly:

- **Property tax** \$350 to \$450 a month (Centre Wellington is around 1.1% to 1.2% of assessed value, and assessments lag prices)
- **Home insurance** \$120 to \$180 a month, more for older stone homes or rural
- **Heat, hydro, water** \$300 to \$450 a month, and gas versus propane or oil matters a lot
- **Maintenance** set aside 1% of the price a year, so about \$540 a month. You won't spend it every month. You will spend it.

Realistic all-in: \$4,500 to \$4,800 a month on the fixed 30-year payment.

25 or 30 years? The 30-year amortization on \$635,620 saves you \$316 a month and costs you roughly \$60,000 more in interest if you keep it the full term. Most people don't; they renew, prepay or move. My take: take the 30 if it's the difference between buying and not, then use the lender's prepayment room when you can. Don't take it to stretch to a bigger house.

Fixed or variable? Variable is cheaper today by almost a point and has been for a while. It only makes sense if a \$300 jump in your payment wouldn't wreck you. If it would, take the fixed and sleep.

Payments are for illustration, on the insured mortgage including the premium. Your lender's quote is the one that counts.

Five that are real. In order of how much they're worth.

1. First Home Savings Account (FHSA)

\$8,000 a year, \$40,000 lifetime, per person. Contributions are tax-deductible like an RRSP and withdrawals for a first home are tax-free like a TFSA. If you are more than a year out from buying and you don't have one, open it this week. Unused room carries forward, but only once the account exists.

2. Home Buyers' Plan (RRSP)

Withdraw up to \$60,000 from your RRSP tax-free for a first home, \$120,000 for a couple. You repay it over 15 years, and withdrawals made recently get a grace period before repayments start. Stack it with the FHSA; they're separate limits.

3. Ontario land transfer tax refund

Up to \$4,000, claimed by your lawyer at closing. Covered on page 5.

4. GST rebate on new homes

Since March 2026, first-time buyers pay no GST on a new home from a builder up to \$1 million, which is a rebate of up to \$50,000. It phases out between \$1 million and \$1.5 million. This only applies to new construction with an agreement signed after May 27, 2025, not resale. If you're looking at a new build in Fergus or Guelph, this changes the math a lot, and the builder's price sheet usually already assumes it.

5. Home Buyers' Amount

A \$10,000 federal tax credit the year you buy, worth \$1,500 back on your return. Small, easy, don't forget it. Line 31270.

What's gone: the First-Time Home Buyer Incentive (the shared-equity program) closed in 2024. If a website is still telling you about it, the rest of that site is out of date too.

What it does, what it doesn't, and the one question to ask.

A pre-approval is a lender looking at your income, debts and credit and saying “we’d likely lend you up to this much at this rate.” It holds the rate for 90 to 120 days. It is not a commitment to lend; the actual approval happens after you have an accepted offer, when they also look at the house.

Why you need one before you look

Two reasons. The first is obvious: you need to know your ceiling. The second is that in a competitive situation, a seller choosing between two offers will take the one with a pre-approval letter, every time. In Fergus and Elora, good homes under \$750,000 still see competition.

The question to ask your lender

“What payment am I approved at, and what payment would you be comfortable with me at?” They are different numbers. The approval is calculated at a stress-test rate about two points higher than your contract rate, on a formula that allows a lot of your income to go to housing. Being approved for \$750,000 doesn’t mean you should buy at \$750,000. The lender knows that. Make them say it.

Bank or broker?

Both are fine. A broker shops several lenders and often finds a lower rate; your bank already knows you and can be faster. Talk to one of each and compare the rate, the prepayment terms and the penalty if you break the mortgage early. That last one matters more than people think.

Things that quietly hurt you

- Financing a car between pre-approval and closing
- Changing jobs, especially to a probation period
- Missing a credit card payment, even a small one
- A big unexplained deposit in your account (lenders ask where it came from)
- Co-signing anything for anyone

Keep everything boring from the day you get pre-approved until the day you get the keys.

First showing to keys, in order.

Weeks 1 to 2

Get pre-approved and pick an agent.

Pre-approval first, so the search is realistic. Then pick someone who works where you're looking. Ask how many homes they've sold in that town in the last year, not in general.

Weeks 2 to 8

Look at homes. More than you think you need to.

Plan on ten to fifteen showings before you know what \$650,000 really buys here. The first few are calibration. Set up listing alerts so you see new homes the morning they come out, because the good ones can be gone in days.

Offer day

Write the offer.

Price, closing date, deposit (typically 3% to 5%, paid within 24 hours of acceptance and credited against your down payment), and conditions: financing and inspection are the standard two, usually five business days. In a competitive situation you may be asked to drop conditions. We'll talk about what that risk actually is before you decide.

Conditional period

Inspection and financing, about a week.

The inspector goes through the house and you go with them. Your lender sends an appraiser if they want one. If something serious turns up, you renegotiate or walk away and get the deposit back. Once you waive the conditions, the deal is firm and the deposit is at risk.

Firm to closing

Four to eight weeks of paperwork.

Your lawyer takes over: title search, mortgage documents, insurance in place (the lender requires it before funding), utilities set up to transfer. You'll sign everything a few days before closing and bring the cash to close by certified cheque or wire.

Closing day

Keys, usually in the afternoon.

The lawyers exchange funds and register the transfer. You get a call when it's done, often between 2 and 5 p.m. Don't book the movers for 9 a.m.

Six things I've watched happen, so they don't happen to you.

The closing date that doesn't work with the lease

Give yourself overlap. A week between keys and lease end lets you move without a storage unit or a frantic weekend. Two months without a home because the dates didn't line up is the most common first-timer mess I see.

Falling for a house before checking the basics

Before you let yourself love it: year built, heating type, roof and furnace age, any sign of water in the basement, and on a rural property, the well and septic. Ten minutes on the listing and a drive-by answers most of it.

The stone house

Fergus and Elora are full of century stone homes, and they're wonderful. They also have knob-and-tube wiring, old plumbing, uninsulated walls and insurance companies that ask questions. Not a reason to say no. A reason to inspect carefully and budget more.

Waiving the inspection to win

Sometimes it's the only way to get the house. If you do it, at least get a pre-offer inspection or a knowledgeable walk-through first. Never waive it blind on a property with a well, a septic, or a basement that smells.

Spending the emergency fund on the down payment

Every house needs something in the first year. If buying leaves you with nothing, buy a cheaper house or wait six months. Being house-poor in Fergus is still house-poor.

Not reading the status certificate on a condo

If you're buying a condo or townhouse condo, the status certificate tells you the reserve fund, any special assessments coming, and any lawsuits. Your lawyer reads it during the conditional period. If they say the reserve is thin, believe them.

Three things, in this order.

Open an FHSA if you don't have one.

Even with \$100 in it. The contribution room only starts once the account exists.

Get pre-approved.

One bank, one broker, compare. Ask the question on page 9. You'll know your real budget in a week.

Start seeing what's out there.

Sold Nearby is my free home search. Every listing in Wellington County and Guelph on one map, and with a free account you see what homes actually sold for, an estimate on each listing, and new listings by email every morning. butlerrealestate.ca/new-listings

When you're ready to see homes in person, or you just want to talk through whether this is the right year, call or text me. No pressure, no script. I grew up here and I'm happy to tell you which streets I'd buy on.



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kris@butlerrealestate.ca

butlerrealestate.ca

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