First-Time Home Buyer Incentives & Programs

Home Buyers' Plan (HBP)

The Home Buyers' Plan (HBP) withdrawal limit is $60,000 per person from a Registered Retirement Savings Plan (RRSP). If you are part of a couple and both partners are eligible, you can withdraw a total of up to $120,000 combined. The increase to $60,000 from the previous $35,000 took effect for withdrawals made after April 16, 2024.

Key details:

- Individual limit: Withdraw up to $60,000 from your RRSP under the HBP.
- Couple limit: Withdraw up to $120,000 ($60,000 each) if both are eligible.
- Increased limit: Applies to withdrawals after April 16, 2024
- Previous withdrawals: Those who withdrew $35,000 before April 17, 2024, may withdraw an additional $25,000 before the end of 2024.
- Taxation: Withdrawals are tax-free if repaid under the HBP schedule. Excess amounts are taxable.
- Eligibility: Must be a first-time homebuyer and have funds in your RRSP for at least 90 days.

Additional First-Time Buyer Incentives

For 2025, Canadian first-time homebuyers can benefit from several federal programs and new rebates:

New GST/HST Rebate

- Rebate to recover GST or the federal portion of the HST on new homes.
- Up to $50,000 for homes valued at or below $1 million.
- Must be a first-time home buyer purchasing from a builder on or after May 27, 2025
- The home must be new and occupied as your primary residence.

Existing Federal Programs

- **First-Time Home Buyer's Tax Credit**: Up to $1,500 in support (based on a $10,000 non-refundable credit).
- **Home Buyers' Plan (HBP):** Withdraw up to $60,000 ($120,000 for couples) from RRSPs to buy or build a home.
- **First Home Savings Account (FHSA):** Save up to $8,000 annually (lifetime limit of $40,000). Contributions are tax-deductible, and withdrawals are tax-free.

New Pilot Program - Down Payment Match Program

- Matches up to $25,000 of a down payment as a non-repayable grant.
- Available in select provinces only - check eligibility and provincial rollout details.
- Income and purchase limits apply.

First-Time Home Buyer's Tax Credit (HBTC)

The main federal tax credit for first-time buyers is the Home Buyers' Amount (HBTC), which allows you to claim a non-refundable tax credit of up to $1,500 based on a $10,000 maximum claim at a 15% federal rate.

How it works:

- Claim up to $1,500 per qualifying individual.
- The credit is non-refundable (reduces tax payable to zero but does not result in a refund).
- Claim it on your tax return for the year of purchase.
- Couples can share or combine the $10,000 claim.
- Buyers with disabilities may also qualify even if not first-time buyers.
- Missed claiming? You can file a tax return adjustment.

Resources

Learn more at the Government of Canada's official website:
Canada.ca First Home Savings Account (FHSA)

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