

# Renting vs. Buying

What Newcomers need to know before deciding on renting or buying their first home



# Should I buy or rent?



Finding a suitable place to call home is one of the top priorities for newcomers to Canada and it can sometimes be difficult to decide between buying or renting.

In this webinar, we will provide some insights into both options to help you to decide what is the best fit for your needs. For example:

- ✓ Benefits of renting a home
- ✓ Things to consider when renting a home
- ✓ Benefits of buying a home
- ✓ Self-assessment on whether you are ready to buy your first home
- ✓ Budgeting & affordability
- ✓ Mortgages 101
- ✓ Down payments

## Renting a Home - Benefits



While buying a home has its benefits, renting a home also has its advantages as well. Some examples are:

- Allows for flexibility if you do not want to commit to a long-term investment
- Protection from decreases in property value
- There may be less upfront and ongoing costs (i.e. closing fees, property taxes, etc)
- A down payment is not required; however, a deposit may be required
- Not being responsible for home repairs and maintenance  
*(Note: tenants should not be involved in fixing minor repairs, unless they have agreed to do so, or if they (or their guests) have caused the damage)*
- Not having to pay property taxes





## Renting a Home - Things to Consider



Here are some things to consider when deciding whether to rent a home:

- Consider your budget
- Factor in additional costs beyond rent such as:
  - Utilities
  - Internet
  - Renter's insurance
- Ensure you understand your rights as a tenant and responsibilities under Canadian law
- Ensure you understand the terms and conditions of your lease agreement



## Buying a Home - Benefits



While renting requires less money up front, buying a home comes with its own range of benefits including:

- Owning an asset that helps to build equity and credit
- The potential for your home to increase in value
- The flexibility to make renovations to the property if you wish
- Not having the headache of moving when the lease expires or if the landlord decides to stop renting out the property
- Pride of ownership



**Am I ready to buy a home?**



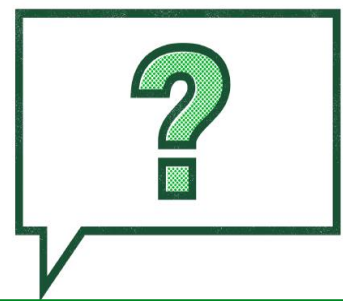
Buying a home is a big commitment. Make sure you really want to own a home and can afford it – and you're not just considering it because you feel you have to.

**Remember:**

- Homes are expensive, so make sure you're financially ready for it and can afford it
- You must be willing to commit to an area and maintain it



## Questions to ask



If you are sure you're ready to buy a home, ask yourself these questions:

- Where do I want to live?
- What neighbourhoods do I like?
- Do I want to be close to schools, transit or shopping?
- What kind of property do I want? House or condo?  
Existing property or new-build?
- Do I have enough money set aside for a down payment on a house?
- What will my mortgage payments look like, and can I afford it?

For more information on the different types of housing visit: [TD types of housing](#)





**How much  
can you  
afford?**



Creating a budget  
or talking with a  
TD Mortgage Specialist  
are great ways of  
figuring out what you  
can afford.

Owning a home can cost a lot more than you might expect. Monthly costs can include:

- Mortgage payment
- Property Taxes
- Condo Fees
- Home Insurance
- Utilities
- Emergency / Maintenance costs





\$1,200	Mortgage Payment
\$300	Property Taxes
\$250	Condo Fees
\$100	Home Insurance
\$200	Utilities
+ \$100	Emergency Fund
<hr/>	
<b>= \$2,150</b>	<b>Total monthly cost</b>



*In this case, your \$2,200/month would be enough to pay for this home's monthly costs.*

## Budget Example



Let's say you can afford to spend \$2,200 / month on a home.

How does that stack up against standard homeowner costs?

Using the TD MySpend app can help keep track of your spending and savings. It can also help:

- Gain spending insights i.e. receive transaction alerts every time money is spent
- Keep moving toward your goal: Use the wish list feature to set savings goals and track your progress towards them

**What is a mortgage?**



**A Mortgage Specialist can help you get approved for a mortgage, give advice and help you understand your options.**



*TD Mortgage Specialists are easy to connect with in person or over the phone*

A mortgage is a **loan** to help you buy your home. The property is the security for the loan.

The amortization period is the total length of time for you to pay off your mortgage fully. The typical amortization period is 25 years.

The **TD Mortgage Payment Calculator** can show you how much your monthly payments could be.

For more details on mortgages, be sure to book an appointment to speak to one of TD's Mortgage Specialists once you have arrived in Canada.

## Down Payments



The down payment is a percentage of your home's purchase price that you pay upfront.

Some banks have mortgage programs tailored to newcomers and they may have specific minimum down payment requirements.

The **TD Down Payment Calculator** is a helpful way to see how much you'll need to save each month for a down payment.



## TD's Mortgage Programs for Newcomers



TD can help you finance your first home in Canada with specially designed mortgage programs for Newcomers.

You may be eligible for a TD mortgage, even if you have no Canadian credit history, provided you meet TD's eligibility and credit criteria.

Book an appointment with a TD Mortgage Specialist to learn about our mortgage options after you have arrived in Canada.





# Questions?

Contact a [TD Mortgage Specialist](#) to learn more about buying a home.



We are Ready for **YOU!**