

WORK CENTRAL AB

Home Buying Guide

From Pre-Approval to Possession Day

A Career Resource from Work Central AB

Home Buying Guide for Central Alberta

Central Alberta offers more attainable home ownership than Calgary or Edmonton, making it a realistic goal for many households. This guide walks through the buying process from preparation to closing.

1. Assess Your Readiness

- Review your credit score and history - lenders use this heavily in determining your mortgage rate and approval.
- Calculate how much you can realistically afford, factoring in your full budget, not just the maximum a lender approves you for.
- Save for a down payment - minimum down payments in Canada are 5% for homes under \$500,000, with higher requirements for pricier homes.

2. Get Pre-Approved for a Mortgage

Mortgage pre-approval gives you a clear budget before house hunting and signals to sellers that you're a serious buyer. Compare rates and terms across multiple lenders or work with a mortgage broker, who can shop your application across several lenders at once.

3. Understand the Full Cost of Buying

Costs Beyond the Purchase Price

Down payment - minimum 5% for homes under \$500,000 (higher for pricier homes; 20%+ avoids CMHC mortgage default insurance).

Home inspection - typically a few hundred dollars, strongly recommended before finalizing an offer.

Legal fees - for the lawyer handling your closing and title transfer.

Alberta land title registration fees - based on the property value and mortgage amount.

Moving and initial setup costs - see our Relocation Guide and Utilities & Internet guide.

4. Working With a Realtor

- A local Central Alberta realtor brings knowledge of specific neighbourhoods, pricing trends, and negotiation norms.
- Realtor commission is typically paid by the seller, so working with a buyer's agent generally doesn't cost you directly.
- Ask potential realtors about their experience in your specific target community - Red Deer, Sylvan Lake, Lacombe, and other areas each have distinct markets.

5. Making an Offer and Closing

- Your realtor will help structure an offer, including any conditions (financing, inspection, sale of a current home).
- Once your offer is accepted, your lawyer handles the closing process, including title search and mortgage registration.
- Closing day (also called possession day) is when you receive the keys and legal ownership transfers.

6. Frequently Asked Questions

Common Questions

Can newcomers to Canada get a mortgage? Yes - many lenders offer newcomer mortgage programs with more flexible credit history requirements, though terms vary by lender.

Do I need 20% down to buy a home? No - minimum down payment is 5% for homes under \$500,000, though putting down less than 20% requires mortgage default insurance, which adds to your costs.

How long does the buying process typically take? From offer acceptance to closing is often 30-60 days, though it can vary based on financing conditions and the specific transaction.

6. First-Time Buyer Programs

- The First Home Savings Account (FHSA) allows eligible first-time buyers to save tax-free toward a down payment, combining features of an RRSP and TFSA.
- The Home Buyers' Plan allows first-time buyers to withdraw from an RRSP toward a down payment under specific conditions and repayment rules.
- Check current federal and provincial programs before buying, since eligibility rules and available incentives are updated periodically.

Home Buying Checklist

- ✓ Reviewed your credit score and saved for a down payment
- ✓ Obtained mortgage pre-approval from a lender or broker
- ✓ Budgeted for closing costs beyond the purchase price
- ✓ Connected with a realtor familiar with your target community
- ✓ Arranged a home inspection before finalizing your purchase

Build Your Financial Foundation With Work Central AB

See our Renting vs Buying and Cost of Living guides for more on comparing housing options across the region. Visit [**workcentralab.ca/resources**](https://workcentralab.ca/resources).