



The Luxury Home Buyer's Guide

What discerning buyers should know before purchasing a premium home in the Greater Toronto Area.

PREPARED FOR GREATER TORONTO AREA BUYERS • CANADA MGC • LICENSED
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BEGIN WITH CLARITY

Welcome Home

A luxury purchase is one of the most significant financial decisions you will make. It is more than a property, it shapes your lifestyle, your monthly cash flow, and your long-term plan. This guide covers what discerning buyers should have in place before they tour, offer, or negotiate a rate, so the process feels deliberate rather than rushed.

STEP ONE

Understand your true budget before you shop

A lender may approve one number, but your ideal budget should also reflect property tax, insurance, utilities on a larger home, ongoing maintenance, and the lifestyle you want to protect. On premium properties these carrying costs are substantial, plan for them from the start.

EXECUTIVE INSIGHT

A home should enhance your wealth, not absorb it. Buying below your maximum approval preserves room for investments, opportunities, and the unexpected.



STEP TWO

Structure Your Down Payment

Your down payment is more than a savings goal, it signals readiness. Premium homes above \$1.5 million require at least 20% down and a conventional (uninsured) mortgage, so the amount and the paper trail behind it matter.

Common sources include personal savings, investment accounts, proceeds from a sale, or a documented family gift. Confirm and document each source well before the offer stage so there are no last-minute surprises with your lender.

CONFIRM YOUR LIQUIDITY

Know what is cash-ready and what may take time to transfer or settle.

SEPARATE YOUR CLOSING COSTS

Land transfer tax, legal fees, and adjustments are large on luxury homes, keep them apart from the down payment.

DOCUMENT LARGE DEPOSITS

Lenders expect a clean 90-day paper trail for the funds you bring.

PROTECT YOUR RESERVE

Do not deploy every dollar into the purchase, keep a cushion after closing.



STEP THREE

Protect Your Credit Position

Your credit profile helps lenders assess how you manage financial obligations. A strong score matters, but lenders also review your debts, payment history, limits, balances, and overall ratios, and on high-value files, they look closely.

In the months leading up to a purchase, and especially after a pre-approval, avoid changes that could weaken your application.

- **Review your credit report**

Address errors early and understand what lenders will see.

- **Pay every bill on time**

Late payments create unnecessary friction in approval.

- **Avoid new credit applications**

Multiple inquiries can raise questions during underwriting.

- **Do not add major liabilities**

Hold off on financing a vehicle or large purchase before closing.

IMPORTANT

Taking on a new liability can reduce your borrowing power or create risk for final approval. Keep your financial picture stable until the mortgage closes.



STEPS FOUR AND FIVE

Move With a Plan

The final foundations turn preparation into a confident purchase, the right approval, and the right people around you.

STEP FOUR

Get pre-approved

A pre-approval clarifies your budget, payment range, and rate options, and signals to sellers that you are serious. For high-value purchases, work with a broker who handles conventional and premium files.

STEP FIVE

Build your team

A smooth luxury purchase brings together a mortgage professional, an experienced Realtor, a real estate lawyer, a home inspector, and an insurance advisor, all working toward the same closing date.

EXECUTIVE INSIGHT

The strongest offers are rarely the most rushed. A financing plan built before the search lets you act quickly and calmly when the right home appears.



BEFORE CLOSING DAY

The Cost of Closing in the GTA

On premium purchases, closing costs are significant, land transfer tax alone can reach into the tens of thousands. In the City of Toronto, buyers pay both the provincial and municipal land transfer taxes.

COST	WHAT IT COVERS	ON A \$2M TORONTO HOME
Provincial land transfer tax	Ontario tax on the purchase	~\$36,475
Toronto municipal LTT	Additional City of Toronto tax	~\$36,475
Legal fees & disbursements	Your real estate lawyer	\$2,000–\$4,000
Title insurance & appraisal	Ownership protection & valuation	\$1,000–\$2,500
Estimated total	Excluding down payment	~\$75,000+

PLAN AHEAD

Outside Toronto, only the provincial tax applies, roughly \$36,475 on a \$2M home. A Canada MGC broker will give you an exact closing estimate for your city and price before you write an offer.

Figures reflect 2026 Ontario and City of Toronto land transfer tax on a \$2,000,000 purchase and are illustrative. Amounts vary by price, municipality, and file, confirm the exact figures with your broker and lawyer.

READY WHEN YOU ARE

Buy your next home with a plan, and a broker who knows the high end.

Canada MGC has been a top Canadian mortgage brokerage for decades. We shop the market for your best rate and guide you through every stage of a premium purchase, at no cost to you.

Purchase

Financing for your next luxury home.

Pre-Approval

Know your budget and lock a rate.

Refinance

Access equity or a better rate.

Renewal

We shop your renewal, don't just re-sign.

Debt Consolidation

One lower monthly payment.

Expert brokers

Guidance built for high-value files.



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