



# HBP

## HOME BUYERS' PLAN

Helping you buy your first home sooner.

# THE BASICS

## What you need to know about the HBP

### Eligibility

To be eligible for the HBP, you must be a first-time home buyer and enter into a written agreement to buy or build a qualifying Canadian home. This home must be your principal residence.

### Tax-free withdrawal

You can withdraw up to \$60,000 from your RRSP to help finance your first home purchase. These funds are withdrawn tax-free.

### Repayment

HBP funds must be paid back to your RRSP in annual minimum amounts over a 15-year period, beginning the second calendar year after the withdrawal. In April 2024, the government extended this two-year grace period to five years for withdrawals made between January 1, 2022 and December 31, 2025.

### RRSP or real estate?

By withdrawing funds from your RRSP through the HBP, you're forgoing the investment income and related tax-deferred compounding of that income during the time this money would have been in your RRSP. This doesn't necessarily mean that withdrawing funds to buy a home is a poor strategy, as the funds you use from your RRSP may actually be worth more if the value of your home increases. Also, you're building equity in your home, which wouldn't happen if you were renting instead of owning.

The HBP enables you to make a tax-free withdrawal from your RRSP to buy or build a qualifying first home, then pay it back over 15 years.



## Questions and answers about the HBP

- 1 Can my spouse and I both withdraw from our RRSPs for the same home?

Yes. In fact, any first-time buyers – not just spouses – may do so to purchase the same home, as long as it is the principal residence for both.

- 2 What if I've previously owned a home?

You're not eligible to use the HBP if you've previously owned a home, or lived in a home owned by your spouse, in any of the four calendar years before the time you want to make an HBP withdrawal.

- 3 What if I can't repay the annual minimum amount in any given year?

If you don't make the repayment, the amount is included as income for that year and you'll have to pay tax on it.

- 4 Can I use the First Home Savings Account and the HBP at the same time?

Yes, you can use both to help purchase your first home.

- 5 Do I still have to repay if my RRSP contribution limit is zero?

Yes. Even if you're not eligible to contribute to your RRSP based on your income, you must still designate an RRSP contribution as repayment of the annual minimum amount under the HBP.

## Top 3 reasons why Canadians aged 18–34 want to buy a home

- 1 It's a good investment
- 2 More living space
- 3 Something to pass on to children

Source: [Nerdwallet 2023 Canadian Home Buyer Report](#), February 2, 2023.

## About iA Private Wealth

iA Private Wealth offers tailored wealth management solutions through a network of more than 460 independent Investment Advisor teams. With over \$50 billion in assets under administration, we are the partner of choice for discerning investors across Canada.

iA Private Wealth is owned by iA Financial Group, one of the largest insurance and wealth management groups in Canada, with operations in the United States as well. Learn more about [iA Financial Group](#).

**INVESTED IN YOU.**

[iaprivatewealth.ca](https://iaprivatewealth.ca)

This article is a general discussion of certain issues intended as general information only and should not be relied upon as tax, legal or investment advice. Please obtain independent professional advice, in the context of your particular circumstances. iA Private Wealth Inc. is a member of the Canadian Investor Protection Fund and the Canadian Investment Regulatory Organization. iA Private Wealth is a trademark and business name under which iA Private Wealth Inc. operates.