



— RESIDENTIAL · GUIDE

Buying your first home in Ontario

What happens between an accepted offer and getting the keys, explained step by step.

Posted Jun 23, 2026

You signed an offer, the seller signed it back, and now everyone says "congratulations." That is a real milestone, but it is the start of the work, not the end of it. Here is what actually happens between that accepted offer and the day you get your keys, and where your lawyer fits in.

Your offer is now a binding contract

Once both sides have signed and the acceptance has been communicated, you have a firm agreement of purchase and sale. It is a real contract, and in most Ontario agreements time is "of the essence," which means the dates in it are firm commitments, not soft targets. You cannot simply change your mind and walk away without consequences.

What protects you in those early days are the conditions in your offer. The common ones are a financing condition (your mortgage has to come through), a home inspection condition, and sometimes a condition that your lawyer review certain documents. While a condition is open, you have a way out if things do not check out. Once you waive or satisfy your conditions, the deal is firm, and your deposit and your obligation to close are both on the line.

Read your conditions carefully and watch the dates. A condition that expires is gone. If you need more time, your agent has to get a signed extension before the deadline, not after.

The deposit

Your deposit is usually delivered shortly after the offer is accepted, normally to the listing brokerage to hold in trust. It is not a separate fee. It counts toward your purchase price on closing. But if you fail to close without a valid reason, you can lose it, and in some cases you can be on the hook for more than that. So once you are firm, treat the closing date as a hard commitment.

Bring in your lawyer early

This is the single most useful thing you can do. Send your lawyer the signed agreement as soon as you have it, not the week before closing. The earlier we see it, the more time we have to catch problems while there is still time to fix them.

Here is roughly what we do in the background:

- Search title. We confirm the seller actually owns the property and can sell it to you, and we look for anything registered against it, like mortgages, liens, or easements, that needs to be dealt with.
- Off-title searches, on request. Property tax status, work orders, open building permits, utility accounts, and similar inquiries that do not show up on title but can still affect you. These are not part of a standard residential closing by default; if you would like them, just ask and we will arrange them, and the cost varies by municipality.
- Review the mortgage. Your lender sends instructions to your lawyer. We prepare your mortgage documents and make sure the lender's requirements are met so the money actually arrives on closing day.
- Raise requisitions. If a search turns up a problem, we send the seller's lawyer a formal letter requiring them to clear it before closing. There is a deadline for this, which is why starting early matters.
- Calculate the adjustments. Things like prepaid property taxes get split fairly between you and the seller as of the closing date. We prepare a statement of adjustments showing the final amount you need to bring.

Land transfer tax and the first-time buyer rebate

Ontario charges land transfer tax when you buy a home. If you buy in the City of Toronto, there is a second municipal land transfer tax on top of the provincial one. Outside Toronto, it is just the provincial tax.

First-time buyers can qualify for a rebate that reduces or eliminates this tax up to a limit. There are eligibility rules, including that you have never owned a home anywhere before, and there can be issues where only one of two buyers qualifies. Tell your lawyer early if you think you are a first-time buyer so we can confirm you qualify and claim it properly on closing.

The specific rebate amount and the threshold it applies up to can change, so do not rely on a figure you read somewhere. We will confirm the current numbers for your purchase.

The week before closing

A few things you will need to handle:

- Your money. Your down payment and closing costs need to be in your lawyer's trust account, usually by certified funds or wire, a day or two before closing. Banks are slow, so do not leave this to the last morning.
- Home insurance. Your lender will require proof of fire insurance effective on the closing date. Arrange it ahead of time.
- Signing. You will meet with your lawyer to sign your mortgage and closing documents and to review the final numbers.
- The final walkthrough. Your agent will usually arrange a visit shortly before closing so you can confirm the home is in the condition you expect and that anything that was supposed to stay is still there.

Closing day

In Ontario, most residential transactions close electronically. Your lawyer registers the transfer and your mortgage through the electronic land registration system, the purchase money changes hands, and the keys are released to you. It does not always happen at 9 a.m. Registration and funds can take until the afternoon, so plan your moving truck with some flexibility.

Once everything is registered and the seller's lawyer confirms receipt of the money, the keys are yours.

After closing

Your lawyer sends you a reporting letter summarizing what was done, confirming you own the property, and enclosing copies of your key documents. Keep it. You will want it for your records, for future refinancing, and eventually for when you sell.

A note on title insurance. Most buyers in Ontario get a title insurance policy as part of closing. It protects you against certain title problems and is usually inexpensive relative to what it covers. Your lawyer will explain what your policy does and does not cover before you close.

This is general information about buying a home in Ontario, not legal advice for your specific purchase. Every deal has its own facts, and figures like the land transfer tax rebate can change. Talk to us about yours.

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Questions about your own situation? Book a free consultation at lucianolegal.com/contact.html, call 647-479-4585, or email info@lucianolegal.com.

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