Credit Canada

Keys to Home Confidence:

Homeowner Confidence Kit

CreditCanada.com

YOUR GUIDE TO

Confident Home Ownership

Everything You Need to Know About Home Ownership

Owning a home is exciting and rewarding, and being prepared for the full costs can help you enjoy it even more. Beyond your monthly mortgage, budgeting for upkeep, property taxes, and unexpected repairs ensures you're ready for whatever homeownership brings.

That's why Credit Canada, the country's first and longest-standing non-profit credit counselling agency, created this Homeowner Confidence Kit. For 60 years, we've helped Canadians manage debt and build financial confidence.

This guide is part of our Keys to Home Confidence program, designed to help you navigate your housing journey with confidence and clarity. To explore the full program, visit CreditCanada.com/Confidence.

Here's What You'll Find Inside

CHAPTER 1

Your Annual Home Maintenance Budget Planner

Plan Ahead to Save

Think back to the last time something broke down in your home. Were you prepared, or did it throw your budget into chaos? Creating a realistic maintenance budget means you get to be the hero of your own story instead of scrambling for solutions.

The Big Five: Where Your Money Goes

Heating & Cooling Systems

Your HVAC (heating, ventilation, and air conditioning) works hard all year. Show it some love with regular maintenance.

- Annual budget: $300-$600
- What it covers: service calls, filter changes, minor repairs
- Money-saving tip: change filters yourself every 3 months

Roof & Gutters

Out of sight shouldn't mean out of mind.

- Annual budget: $200-$500
- Preventative measures beats expensive fixes every time. Here are some ways you can prevent gutter damage and protect your roof from harsh weather.
- Watch for: ice dams, clogged gutters, loose shingles

Ask Yourself:

What's one home repair that caught you completely off guard? How much did it cost, and how did you handle it financially?

Appliance Replacement Fund

That washer won't last forever. Are you ready for when it gives up?

- Annual budget: $1,000–$4,500 for appliance replacement or repairs.
- Average appliance lifespan: 8-15 years
- Pro tip: keep a list of purchase dates, warranties, and receipts (if possible). This is for insurance purposes.

Emergency Repairs

For when life happens and it can't wait until payday.

- Annual Budget: $2,500–$10,000
- Common emergencies: burst pipes, electrical issues, broken windows, leaks

Your Magic Number:

Budget to save 1–2% of your home's purchase price each year for maintenance and repairs.

For a $650,000 home, that's $6,500–$13,000 per year, or roughly $540–$1,080 per month.

Insurance

Don't let insurance be an afterthought. Your home, your life, and your belongings change, and your coverage should too.

- Annual Budget: $1,000–$2,000
- Smart question for your broker: "How much would raising my deductible save me?"
- Money-saving tip: increasing your home insurance deductible can lead to lower premiums. For example, raising your deductible from $500 to $1,000 may reduce your annual premium by approximately 1%. Further increases in the deductible, such as to $2,000 or $2,500, can result in more significant savings, up to 10% or more, depending on the insurer and your specific circumstances.

Want to Learn More?

Watch this Keys to Home Confidence video to learn about the repairs every homeowner should plan for.

CHAPTER 2

The Financial Safety Net: Your Home Emergency Fund Calculator

Plan For Life's Surprises

Your homeowner emergency fund is meant to cover essential housing costs, like your mortgage, utilities, and basic maintenance, in case something unexpected happens. A good goal is to save 3-6 months of expenses, so you have a reliable safety net and peace of mind during financial surprises.

Building Your Home Emergency Fund

1

Step 1: Calculate Your Monthly Housing Costs

- Mortgage payment: $________
- Property taxes: $________
- Home insurance: $________
- Utilities (average): $________
- Basic maintenance: $________

Total Monthly Housing Costs: $________

2

Step 2: Set Your Target

- Multiply your monthly housing costs by 3-6 months.
  - Conservative approach: 3 months = $________
  - Comfortable approach: 6 months = $________

3

Step 3: Track Your Progress

- Current emergency fund: $________
- Target amount: $________
- Still need to save: $________

Now that you have a plan for an emergency fund, build it into a comprehensive budget to keep you on track by using our Budget Planner.

Ask Yourself:

If you lost your job tomorrow, how long could you pay for your mortgage, utilities, and basic home maintenance?

Where to Keep Your Emergency Fund

High-Interest Savings Account (HISA)

A High-Interest Savings Account (HISA), is a savings account that gives you a better interest rate than a regular one. The money in it earns interest every day (with payments often added to your account each month), which means your balance grows automatically over time. Since you can usually access your money easily, HISAs are a great option for building an emergency fund or working toward short- to mid-term goals.

In short:

- It has easy access when you need it
- It earns interest while you wait
- It is CDIC insured up to $100,000

If you're not sure where to start, talking to a financial advisor or a representative at your bank or credit union can help. They can explain the different HISA options, compare interest rates, and help you choose an account that fits your goals, whether it's saving for short-term expenses or building an emergency fund. Don't be afraid to ask questions about fees, withdrawal limits, and any special promotions – they're there to help you make the most of your savings.

Tax-Free Savings Account (TFSA)

A Tax-Free Savings Account (TFSA) is a flexible, government-registered account that allows Canadians to save and invest money without paying tax on the growth. Any interest, dividends, or capital gains you earn inside a TFSA are completely tax-free, even when you withdraw the money. You can use a TFSA for a wide range of financial goals, from building an emergency fund, saving for a big purchase, or investing for the future.

In short:

- The money in a TFSA grows tax-free
- It has flexible withdrawal options
- It can hold multiple investment types

CHAPTER 3

Your Year-Round Maintenance Routine

Protect Your Home All Year

Rather than creating an overwhelming to-do list, this seasonal approach helps you focus on what matters most during each part of the year. Think of it as your home's natural rhythm, so you can work with the seasons, not against them.

Spring Awakening (March–May)

The "How Did We Survive Winter?" Check

- Walk around your home's exterior. What looks different?
- Test outdoor water taps (have any pipes been damaged by freezing?)
- Schedule HVAC service before the heat hits.
- Clean those gutters before spring rains.

Summer Maintenance Mode (June–August)

The "Enjoying Your Space" Season

- Check and clean your air conditioning.
- Inspect and repair deck/patio/pool areas.
- Trim trees away from your roof and siding.
- Replace AC filters.

Did You Know?

Most home insurance claims happen in winter (frozen pipes or roof damage) and summer (severe weather). Spring and fall maintenance helps prevent both!

Fall Prep Rally (September–November)

The "Battening Down the Hatches" Season

- Winterize outdoor water taps and irrigation.
- Clean gutters one more time.
- Service your furnace/heating system.
- Seal any cracks or gaps you've noticed.

Winter Watchfulness (December–February)

The "Keeping Everything Running" Season

- Monitor for ice dams on your roof.
- Keep vents and exhausts clear of snow.
- Check humidity levels (too dry damages wood).
- Plan next year's projects.

CHAPTER 4

When It's Time to Refinance

How to Save on Your Mortgage

Refinancing isn't just about getting a lower rate. It's about making your mortgage work better for your current life situation. Whether you're up for [renewal]() or considering breaking your current mortgage, asking the right questions can save you thousands.

Ask Yourself:

What's changed in your life since you got your current mortgage? Higher income? Different goals? New priorities?

Before You Talk to Anyone

Know Your Current Situation

- Current interest rate: %________
- Remaining balance: $________
- Monthly payment: $________
- Years left on current term: ________
- Penalty for breaking early: $________

Essential Questions for Your Lender

About Rates and Terms

- What rate can you offer, and how long is it guaranteed?
- What are the penalties if I need to break this mortgage early?
- Can I increase my payment amount or frequency without penalties?

About Flexibility

- What's the maximum lump sum payment I can make annually?
- Can I skip payments if I'm ahead on my amortization?
- What happens if I want to transfer this mortgage to a new home?

About the Real Cost

- What are all the fees involved in switching?
- How much will this mortgage cost me over the full term?
- Is there a penalty for paying it off early?

Red Flag Questions

- What exactly am I signing up for?
- Can you explain this fee/feature in plain language?
- What's your complaint resolution process?

Money-Saving Tip:

Even a 0.25% rate reduction on a $400,000 mortgage can save you over $4,000 over a 5-year term. Shop around and speak with a broker to find the best rate.

Need Extra Guidance?

We're Here for You

Owning a home is exciting, whether you've been a homeowner for 5 years or 50. But it can bring unexpected financial questions along the way. The good news is you don't have to figure it all out on your own.

Credit Canada has been helping Canadians make smart financial decisions for 60 years, and we're here to support you through every step of homeownership. Whether you're having trouble keeping up with mortgage payments, facing unexpected expenses and repairs, or simply trying to manage your monthly budget, our free resources and expert guidance can help you move forward with confidence.

Where to Reach Out for Help:

- Speak to a Credit Counsellor by calling 1 (800) 267-2272
- Chat with Mariposa, Credit Canada's AI Agent
- Subscribe to our newsletter
- Check out our free tools, webinars, and blog posts
- All of the above can be found at creditcanada.com

Share This Guide

Know a homeowner? Send them this guide. The best advice is the kind that helps people avoid expensive mistakes.

More About This Program

This guide is part of Credit Canada's Keys to Home Confidence program—providing Canadians with the knowledge to navigate their biggest financial decisions with confidence.

Want to Learn More?

Watch our video series about homeownership at CreditCanada.com/Confidence