

The Home Stability Property Tax Model

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HOUSING & COMMUNITY

Civic Sketches is a series of draft policy proposals by Lawrence Nault — an independent researcher and policy writer based in Alberta's Badlands. These proposals are working drafts, not party platforms or final answers. They are intended to invite discussion, challenge, and refinement across all levels of government and the broader public.

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The Purpose

The purpose of the Home Stability Property Tax Model is to protect homeowners, seniors, fixed-income residents, family farms, and long-term community members from being forced out of their homes because land speculation has increased the assessed value of the property around them.

A person should not lose their home because the market decides the land beneath it has become more valuable to developers, investors, or wealthier buyers.

Property taxes should reflect the home people live in, not only the speculative price someone else may be willing to pay for it.

The Problem

Across many communities, property assessments can rise sharply because of development pressure, population growth, recreational land demand, investor activity, or speculation.

This creates a serious problem for people who are not planning to sell.

A senior living on a fixed income may own a modest home, but if surrounding land values rise, their property taxes can rise with them. The same can happen to family farms, long-term rural residents, working-class homeowners in gentrifying neighbourhoods, and people living in areas targeted for development.

In these cases, the owner has not gained spendable income. They have not sold the property. They have not realized a profit.

They are being taxed on paper wealth.

That paper wealth may only become real if they sell — but the rising tax burden may be what forces them to sell in the first place.

This turns property taxation into a displacement mechanism.

Core Principle

No person should be taxed out of their primary residence because of unrealized speculative value.

If the speculative value is eventually realized through a sale, then a fair portion of the deferred public revenue can be recovered at that time.

In simple terms: Do not tax people out of homes they still live in. Recover the public share when speculative value becomes real profit.

Basic Model

Under the Home Stability Property Tax Model, the taxable assessed value of a qualifying primary residence would be stabilized at or near the assessed value at the time of purchase.

That stabilized value would become the property's protected tax base.

The protected tax base could still rise modestly each year through a limited adjustment, such as inflation, municipal cost growth, or a fixed annual cap. This would prevent municipal revenue from being frozen entirely while still protecting homeowners from sudden speculative assessment increases.

When the property is eventually sold at a significantly higher value, a sale-based recovery levy would apply.

This levy would allow the public to recover a portion of the tax benefit that was deferred while the owner remained in the home.

Who Would Qualify

The model should apply primarily to:

- Primary residences
- Seniors on fixed incomes
- Low- and moderate-income homeowners
- Long-term owner-occupants
- Family farms
- Multigenerational homes
- Residents in areas experiencing rapid land speculation or development pressure

The strongest protection should be reserved for people who actually live on the property or actively use it as a family farm.

The model should not be designed to protect land speculators, corporate landlords, house flippers, vacant property owners, or investors holding land for future profit.

How the Assessment Stabilization Would Work

When a qualifying owner purchases a home or property, the assessed value at the time of purchase would become the protected assessment value.

For example, if a person purchases a home assessed at \$300,000, that amount becomes the starting point for property tax purposes.

Each year, that protected assessment could increase by a limited amount, such as:

- Inflation
- A fixed percentage cap
- A municipal cost adjustment
- Or a combination of these factors

This means the homeowner's property taxes could still rise gradually, but not dramatically because of speculative land inflation around them.

If the surrounding market later values the property at \$600,000, the owner would not automatically be taxed as though they had \$600,000 in accessible wealth.

Their taxes would remain tied to the protected assessment value, not the speculative market value.

The Sale-Based Recovery Levy

When the property is sold, the public would be able to recover a portion of the benefit received under the protected assessment system.

This could be calculated in one of two ways.

The first option would be a deferred tax recovery model. Under this approach, the municipality would calculate the difference between the taxes actually paid under the protected assessment and the taxes that would have been paid under regular market assessment. A portion of that difference would be collected at sale.

The second option would be a speculative gain levy. Under this approach, an additional tax would apply to the difference between the protected assessment value and the final sale price, but only when the difference exceeds a defined threshold.

For example, no levy might apply unless the sale price exceeds the protected assessment by more than 25%, 50%, or another legislated threshold.

This ensures ordinary appreciation is not treated the same as speculative windfall gain.

Family and Continuity Protections

The model should include protections for family continuity.

The recovery levy should not automatically trigger when a property is transferred to:

- A spouse or partner
- A surviving family member
- A child or grandchild who keeps the property as a primary residence
- A family member who continues operating the land as a family farm
- An estate beneficiary who continues to live in the home

In these cases, the protected assessment could transfer with the property.

The recovery levy would only fully apply when the property leaves protected residential or family-farm use, or when it is sold into the open market for profit.

This prevents the model from punishing families who are trying to preserve homes, farms, and community roots across generations.

Anti-Abuse Rules

To prevent misuse, the model should include clear anti-abuse provisions.

Protected assessment status should not apply, or should be removed, when a property is:

- Held by a corporation, except for legitimate family farm structures
- Used primarily as a rental investment
- Left vacant for speculative purposes
- Flipped within a short period
- Converted into luxury redevelopment
- Sold to a developer
- Used as a short-term rental business
- Owned by non-resident investors
- Transferred through artificial arrangements designed to avoid the recovery levy

The purpose of this model is home stability, not investor subsidy.

Municipal Revenue Protection

Municipalities rely on property taxes to fund essential services, including roads, water systems, emergency response, waste collection, libraries, parks, snow removal, public transit, and community infrastructure.

Any assessment stabilization model must therefore be designed carefully.

The model should include:

- A modest annual assessment adjustment
- A sale-based recovery mechanism
- Provincial support for municipalities with high numbers of protected properties

- Regular public reporting
- Clear eligibility limits
- Anti-speculation safeguards.

Municipalities should not be forced to carry the full cost of protecting residents from speculative displacement. If provincial governments want stable communities, they should help fund the transition.

Why This Matters

A home is not the same thing as a stock portfolio.

For many people, a home is shelter, memory, family, community, stability, and dignity.

When property taxes rise because of speculation, people can be forced to leave communities they helped build. Seniors may be pushed from homes they expected to live in for the rest of their lives. Family farms may be sold not because the family wants to leave, but because the tax structure makes staying impossible.

This is especially harmful when the rising value is not created by the homeowner, but by surrounding development pressure, investor activity, rezoning speculation, or regional land inflation.

Tax systems should not reward speculation by punishing stability.

Policy Goals

The Home Stability Property Tax Model has five main goals:

- Protect people from being taxed out of their primary residence.
- Reduce displacement caused by speculation-driven assessment increases.
- Support seniors, fixed-income households, family farms, and long-term residents.
- Preserve municipal revenue through gradual adjustments and sale-based recovery.
- Ensure speculative profit is taxed when it becomes real, not before.

Proposed Legislative Framework

A province or municipality adopting this model could create a Home Stability Assessment Program with the following components:

- A protected assessment value based on the property's assessed value at time of purchase.
- A limited annual increase tied to inflation or a legislated cap.
- Eligibility restricted to primary residences, qualifying family farms, and long-term owner-occupied homes.
- A sale-based recovery levy triggered only when the property is sold at a substantial gain.
- Exemptions for spouses, heirs, and family members who continue using the property as a primary residence or family farm.
- Anti-abuse rules to exclude speculators, corporate landholders, vacant properties, house flippers, and short-term rental businesses.
- Municipal revenue safeguards, including provincial transfers where necessary.
- Transparent reporting on deferred taxes, recovered revenue, eligibility, and community impact.

Public Interest Test

Any version of this model should be judged by a simple public interest test:

- Does it help people stay in their homes?
- Does it prevent speculative land pressure from displacing residents?
- Does it preserve municipal revenue fairly?
- Does it recover public value when private windfall profit is realized?
- Does it avoid becoming a tax shelter for investors?

If the answer to those questions is yes, then the model deserves serious public discussion.

Conclusion

The Home Stability Property Tax Model is built on a simple principle: People should not be taxed out of their homes because of wealth they have not actually received.

Rising land values may look like wealth on paper, but paper wealth does not pay tax bills, buy groceries, cover utilities, or support seniors on fixed incomes.

If a homeowner eventually sells and receives a major windfall, then it is reasonable for the public to recover a fair portion of the tax benefit that was deferred.

But until that moment, the tax system should protect stability, not accelerate displacement.

Communities are not strengthened by forcing long-term residents out of their homes. They are strengthened by allowing people to stay.

About the Author

Lawrence Nault is a Canadian author, filmmaker, and independent researcher based in Alberta's Badlands and Rockies. He writes speculative fiction and YA fantasy, directs documentary film, hosts the podcast *Stone & Signal*, and publishes academic research and policy proposals on digital infrastructure, occupational health, and environmental governance. His work asks hard questions about ecology, technology, and what it means to be human.

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