

HOUSING COMPASS CASE STUDY

Labour's capital gains tax

Does the policy do what Labour says it will do?



CLAIM	LABOUR SAYS	VERDICT	WHY, IN ONE LINE
1	Money moves into businesses	NO	Selling is taxed; holding until death is not.
2	It pays for the doctor's visits	PARTLY	Revenue only arrives when investors sell, and the design rewards not selling.
3	Fewer investors bid against first home buyers	PARTLY	True for existing homes, but fewer homes come up for sale.
4	Rents will not go up	UNTESTED	Probably true for existing rentals; Labour hasn't looked at new ones.

Four changes would point the tax at Labour's own goal (page 10). The result can be measured in 2028, 2030 and 2032 (page 13).