RESEARCH BRIEF · 25 SEPTEMBER 2026

Burnham Warns Capital Gains Tax Rise Could Push UK Wealth Offshore

Manchester Mayor Andy Burnham has warned that Labour's planned October Budget increase to capital gains tax could trigger significant capital flight, with banks and business owners relocating overseas. For investors already ...

HIGH	8.0	24 September 2026	7/10
INVESTOR IMPACT	SIGNIFICANCE SCORE	EVENT DATE	SOURCE RELIABILITY

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EXECUTIVE SUMMARY

01 Burnham Warns Capital Gains Tax Rise Could Push UK Wealth Offshore

On 24 September 2026, Manchester Mayor Andy Burnham warned that a capital gains tax increase in Labour's October Budget could push banks and business owners to relocate overseas rather than absorb higher taxation on their gains. This is a political figure inside the governing party's own coalition flagging the risk publicly, which lends the warning more weight than commentary from opposition voices or industry lobbyists. The signal matters less for what it confirms about the Budget itself, which has not yet happened, and more for what it confirms about sentiment: UK asset holders are already positioning for higher after-tax drag on capital growth. For anyone holding property, business equity or investment portfolios in the UK, this is a moment to think about jurisdiction, not just asset selection.

- Andy Burnham warned on 24 September 2026 that Labour's planned October Budget increase to capital gains tax risks triggering capital flight from the UK
- The warning specifically named banks and business owners as groups likely to relocate overseas to avoid higher taxation
- This is a pre-Budget signal from a senior Labour figure, not a market reaction to a confirmed policy, so the final Budget detail is still unknown
- Rising UK capital gains tax increases the relative value of zero-tax jurisdictions for anyone growing capital outside the UK system
- Dubai's off-plan market recorded AED 27.9bn in transaction value across 11,601 transactions in August 2026, with off-plan accounting for 67.1% of sales by count, according to Dubai Land Department data
- The 3-month EIBOR stood at 4.3% in September 2026 per the Central Bank of the UAE, a data point relevant to anyone financing a Dubai purchase

THE EVENT

02 What happened, and why it matters

WHAT HAPPENED

Manchester Mayor Andy Burnham publicly warned that a capital gains tax increase expected in Labour's October Budget could send global banks and UK business owners overseas, according to reporting by This is Money on 24 September 2026. The warning centres on the risk that higher taxation on gains will change behaviour, not just revenue collection, with banks and business owners cited as the groups most likely to relocate in response.

WHY IT MATTERS

This is a credible pre-Budget political signal, coming from within Labour's own ranks rather than from opposition critics, that the scale of the planned capital gains tax rise is material enough to change where capital and businesses are domiciled. For anyone holding assets in the UK, it reframes the coming Budget from a tax-rate adjustment into a jurisdiction question. When a sitting mayor is warning his own government that its tax plans could drive wealth abroad, that is a stronger indicator of anticipated severity than most public commentary offers.

WHO IT AFFECTS

UK-based business owners, bank executives and other holders of appreciating assets who would be directly exposed to a capital gains tax increase in the October Budget. It also affects UK expatriates and overseas investors watching the UK tax trajectory as part of their decision on where to hold long-term capital.

INVESTOR READ

03 Implications, risks and opportunities

IMPLICATIONS

If you are holding capital in the UK and watching this Budget, the question isn't just what the new capital gains rate will be. It's what a rising, more punitive tax environment does to your after-tax growth over 10 or 20 years, and whether that changes where you'd rather hold your next asset. Dubai's zero personal income tax and zero capital gains tax structure means the return you see on paper is the return you keep, which is precisely the mechanism Burnham is warning could be pushing UK wealth to reconsider its base. That comparison sharpens further when the underlying market itself remains active. Dubai Land Department data puts August 2026 transaction value at AED 27.9bn across 11,601 transactions, with off-plan making up 67.1% of sales by count, evidence that capital is still finding a home in the emirate's real estate market. Anyone financing a purchase should also weigh the 3-month EIBOR at 4.3% in September 2026 into their cost of capital.

RISKS

Be straight about what this is and isn't. This is a warning from a political figure ahead of a Budget that has not yet been delivered. The final capital gains tax rate, thresholds and any exemptions could land quite differently from what today's speculation implies, and Burnham's comments should be read as a signal of concern rather than a confirmed policy outcome. Tax-driven relocation decisions are also not instant or costless. Businesses and individuals face real friction in moving domicile, and a zero-tax jurisdiction is not a substitute for proper structuring advice specific to your circumstances. On the Dubai side, off-plan investment carries its own risks including construction and delivery timelines, developer execution risk, and financing costs that move with benchmarks like EIBOR. None of this should be read as a reason to act on tax speculation alone.

OPPORTUNITIES

For investors who have already been weighing capital preservation outside the UK tax system, this warning validates that the underlying pressure is structural rather than a one-off political flashpoint. A jurisdiction with no capital gains tax and continued transaction volume, as shown by the Dubai Land Department's August 2026 figures, offers a way to hold growing assets without the after-tax drag now being publicly debated in Westminster. The opportunity is in the planning window between now and the October Budget, when the direction of travel is becoming clearer even if the exact numbers are not yet set.

WHAT TO WATCH

The October Budget itself will confirm or revise the capital gains tax changes Burnham is warning about. Watch for the confirmed rate and thresholds, and for any early evidence of business or capital relocation activity that follows the announcement.

THE BOTTOM LINE

04 What this means for Dubai investors

THE MEANING

This is a structural validation, not a marketing point. Dubai's tax position doesn't change because of a UK political warning, but the warning does change how much that tax position is worth to a UK-based investor doing the after-tax maths on their next 10 years of capital growth.

> *Here's the thing. I don't need Andy Burnham to tell me UK investors are nervous about this Budget, I hear it directly in conversations right now. But when a Labour mayor is the one raising the alarm about his own party's tax plans, that's not noise, that's a signal worth paying attention to. Two things are true at once. The Budget hasn't happened yet, so nobody should be making decisions off a warning alone. And the direction of travel on UK capital gains tax has been clear enough for long enough that anyone serious about protecting what they've built should already be asking where their capital is best held, not just what it's invested in.*

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SOURCES AND VERIFICATION

This is Money, 25 September 2026 (event date 24 September 2026); Dubai Land Department, August 2026 transaction data; Central Bank of the UAE, September 2026 EIBOR data

Begin the conversation.

Every allocation starts with a candid, numbers-first discussion shaped around your mandate, risk profile and timeline.

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Bradley James is an Associate Director and Senior Investment Advisor based in Dubai, specialising in Dubai real estate, off-plan investment, strategic wealth allocation, portfolio diversification, and relocation and residency planning. He advises private investors and family offices on entering the Dubai market with the same rigour he applies to his own capital.

SPECIALISMS

- Dubai Real Estate
- Off-Plan Investment
- Strategic Wealth Allocation
- Portfolio Diversification
- Relocation & Residency Planning

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SCAN TO MESSAGE

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