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UK Departure Notifications Rise 32% as Tax Changes Bite: What It Means for Dubai

HMRC data shows the number of UK taxpayers formally notifying their departure rose 32% to 69,000 in the 2025/26 tax year, up from 52,000 the year before. For overseas investors weighing Dubai, this is hard evidence that UK ...

MEDIUM

INVESTOR IMPACT

7.5

SIGNIFICANCE SCORE

29 September 2026

EVENT DATE

7/10

SOURCE RELIABILITY

OI

EXECUTIVE SUMMARY

UK Departure Notifications Rise 32% as Tax Changes Bite: What It Means for Dubai

UHY Hacker Young's analysis of HMRC data shows 69,000 UK taxpayers filed P85 departure forms in the 2025/26 tax year, a rise of 32% from 52,000 in 2024/25. The firm links the increase to a run of UK tax changes since the July 2024 general election, including higher capital gains tax, inheritance tax reforms, higher employer National Insurance Contributions, higher stamp duty on rental properties and VAT on private school fees, alongside the replacement of the non-dom regime. UHY Hacker Young notes the true number of departures is likely higher still, since not everyone who leaves files the form. For Dubai focused investors this data matters less as a headline and more as confirmation that people are actually acting, not just discussing the idea of leaving.

- UK P85 departure notifications rose 32% to 69,000 in the 2025/26 tax year, up from 52,000 in 2024/25, according to HMRC figures cited by UHY Hacker Young.
- UHY Hacker Young attributes the rise to tax changes since the July 2024 general election: higher capital gains tax, inheritance tax reform, higher employer National Insurance Contributions, higher stamp duty on rental properties and VAT on private school fees.
- The non-dom regime has been replaced. Under the new rules favourable income and capital gains tax treatment for new arrivals lasts only 4 years, and worldwide assets fall within UK inheritance tax scope after 10 years of residence, down from 15 years previously.
- Further inheritance tax changes are already scheduled: reforms to business and agricultural property relief took effect in April 2026, and unused pension funds come within the scope of inheritance tax from April 2027.
- The trend is not confined to business owners. UHY Hacker Young's Neela Chauhan says it extends to working people who do not consider themselves wealthy, with inheritance tax cited as a particular driver.

- Dubai's own transaction data for August 2026 shows AED 27.9bn in sales value across 11,601 transactions, with off-plan making up 67.1% of transactions by count, evidence of continued demand absorption during the same period this UK trend was building.

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THE EVENT

What happened, and why it matters

WHAT HAPPENED

HMRC data released by UK accountancy group UHY Hacker Young shows that 69,000 taxpayers filed P85 forms, the form used to formally notify departure from the UK, in the 2025/26 tax year. That is a rise of 32% from 52,000 in 2024/25. UHY Hacker Young treats the P85 count as a proxy for the wider trend rather than a full census, noting the true number of leavers is likely higher because many people who leave do not file the form. The firm attributes the increase to a sequence of UK tax changes introduced since the July 2024 general election: higher capital gains tax, changes to inheritance tax, a rise in employer National Insurance Contributions, higher stamp duty on rental properties and VAT on private school fees. The replacement of the UK's non-dom regime has added further pressure. Under the new rules, favourable income tax and capital gains tax treatment for new arrivals lasts 4 years, and worldwide assets now fall within the scope of UK inheritance tax after 10 years of residence, down from 15 years under the old regime. More inheritance tax changes are already in train: reforms to business and agricultural property relief took effect in April 2026, and unused pension funds are due to come within the scope of inheritance tax from April 2027. UHY Hacker Young's Neela Chauhan said the trend extends beyond business owners to working people who do not regard themselves as wealthy, with inheritance tax a particular draw toward jurisdictions with less harsh regimes, citing Sweden's absence of inheritance tax as one example people are choosing. The UK Autumn Budget is scheduled for 28 October 2026.

WHY IT MATTERS

If you have been sitting on the fence about whether relocating capital out of the UK is something other people are actually doing, or just something people talk about, this data answers that question directly. A 32% year on year rise in formal departure notifications, on top of an already elevated 52,000 the year before, is not noise. It is a structural signal that UK tax residents are executing on relocation decisions, not just weighing them. For anyone with UK tax exposure looking at Dubai, this removes the 'am I the only one doing this' hesitation. The move is already in motion around you.

WHO IT AFFECTS

UK tax resident individuals and families affected by the capital gains tax, inheritance tax, National Insurance and non-dom regime changes introduced since 2024, particularly those with significant UK-situs wealth, rental property portfolios, or family wealth transfer plans exposed to the tightened inheritance tax rules. UHY Hacker Young's Chauhan notes the trend also reaches working people who do not consider themselves wealthy, widening the pool beyond the traditional high net worth departure narrative.

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INVESTOR READ

Implications, risks and opportunities

IMPLICATIONS

For UK investors considering Dubai property as part of a relocation or wealth restructuring plan, this data is a useful reference point when weighing timing. The drivers cited, inheritance tax reform, the shortened non-dom favourable period, and further changes already scheduled for April 2027, are structural rather than one-off, which suggests the pressure to relocate capital is unlikely to ease before the UK Autumn Budget on 28 October 2026 and potentially beyond it. It does not, on its own, tell you what to buy or when. It tells you that the population of people making this decision is growing, which is relevant context if you are evaluating demand support for Dubai real estate over a multi-year horizon.

RISKS

This is UK tax and migration data, not Dubai market data, and it should not be read as a direct predictor of Dubai transaction volumes. The P85 figures are a proxy, not a complete count, and UHY Hacker Young itself flags that the true departure number is likely higher, which cuts both ways: it strengthens the trend narrative but weakens precision. UHY Hacker Young also notes competing jurisdictions, such as Italy and Switzerland, are positioning themselves as more attractive destinations for incoming wealth than the UK, meaning Dubai is not the only destination absorbing this outflow. There is also a live policy debate, referenced in the source material, about whether the UK has passed the point where higher taxes raise less revenue rather than more, which means the tax settings driving this trend could shift again, in either direction, particularly around the 28 October 2026 Autumn Budget.

OPPORTUNITIES

For investors already committed to diversifying outside the UK, this data supports treating the relocation decision as one being made by a growing and increasingly mainstream population, not an outlier move. Dubai's regulatory framework and its August 2026 transaction data, AED 27.9bn in sales value across 11,601 transactions with off-plan at 67.1% of count, show a market that continues to absorb demand at scale during the same period this UK trend has been accelerating.

WHAT TO WATCH

The UK Autumn Budget on 28 October 2026 is the next scheduled event likely to affect this trend, given UHY Hacker Young's attribution of the departure rise to tax changes since 2024. The scheduled extension of inheritance tax to unused pension funds from April 2027 is also worth tracking, as it broadens the population of UK residents facing this decision.

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THE BOTTOM LINE

What this means for Dubai investors

THE MEANING

This data does not change the fundamentals of a Dubai property decision. It changes the context around it. If your hesitation has been about whether UK capital flight is real or theoretical, HMRC's own figures, as reported by UHY Hacker Young, now put a number on it: 69,000 formal departures in 2025/26, up 32% on the year before. That is the backdrop against which Dubai's August 2026 transaction data, AED 27.9bn in value, 11,601 transactions, 67.1% off-plan by count, should be read.

“ What I'd say to anyone reading this and wondering if they've left it too late or are jumping too early: this data is exactly the kind of thing that should inform your timing conversation, not replace it. A rising departure count tells you the direction of travel for UK capital. It doesn't tell you which developer, which payment plan, or which area suits your situation. I'd rather you come to that decision with the UK data and the Dubai data both on the table, side by side, than react to a headline number alone.

BRADLEY JAMES, DUBAI REAL ESTATE INVESTMENT ADVISOR

SOURCES AND VERIFICATION

WealthBriefing, 'UK Taxpayers Telling HMRC Of Departure Rise Almost 33 Per Cent', Tom Burroughes, 29 September 2026. Dubai Land Department, August 2026 transaction data. Central Bank of the UAE, 3-month EIBOR, September 2026.

Begin the conversation.

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

Bradley James

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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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SOURCES

WealthBriefing, 'UK Taxpayers Telling HMRC Of Departure Rise Almost 33 Per Cent', Tom Burroughes, 29 September 2026. Dubai Land Department, August 2026 transaction data. Central Ba



SCAN TO MESSAGE