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Landlords could face a Capital Gains Tax shock in the Budget: Property expert reveals why the clock may already be ticking

Expert credited:

[Mohamed Ajami](#), Real Estate Investor, Market Analyst & Strategy Advisor

Quote from Mohamed Ajami:

"I've sat through four Budgets that were supposed to reshape this market and watched most of the panic evaporate by December. 2008, Section 24, Brexit, Covid. Every one taught me that most of what gets shouted about a Budget is theatre. The one thing that actually moves capital is the quiet line nobody was watching, and this year that line is Capital Gains Tax."

What is the one tax risk landlords should actually be watching in this Budget?

For me, it's Capital Gains Tax potentially being brought closer into line with income tax. There's always a huge amount of noise before a Budget, and I've sat through enough of them to know that much of the panic disappears afterwards. This time, CGT is the one issue I'd be taking seriously. Land value tax, a standalone mansion tax and immediate stamp duty reform have either been ruled out or were never really on the table for this Budget.

If CGT were brought closer into line with income tax, landlords and second-home owners selling properties would be the people who could really feel it. A gain taxed at 24% today could potentially face a rate closer to 40-45%. That's a very different tax bill. Most owner-occupiers selling their main home generally benefit from Private Residence Relief, so if you're simply selling the home you live in, this particular Budget risk isn't really about you.

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Why could Budget day itself matter?

The last CGT rate rise took effect from Budget day itself, with anti-forestalling rules included specifically to stop people rushing to beat the change. Income tax changes may wait for a new tax year, but CGT doesn't necessarily have to. That doesn't mean we know CGT will rise on 28th October, but the recent precedent means landlords shouldn't assume they'll have months to react if something is announced. If you've already got a meaningful disposal on the table, I'd be talking to your adviser now rather than waiting until Budget day to start thinking about it.

Should a landlord who's already selling try to complete before 28th October?

If you've already decided to sell, the transaction is moving, and a CGT increase would make a meaningful difference to your final bill, then yes, I'd be looking seriously at whether you can sensibly complete before 28th October. I'm not suggesting landlords should suddenly panic-sell good properties because of a rumour. Selling still needs to make financial sense. But there's a big difference between somebody wondering whether they might sell one day and somebody who already has a live disposal under way. If you're in the second group, the timing is important. For an owner-occupier who's already in a chain, I'd take a completely different view. Rushing solicitors, lenders and everyone else involved simply to get a deal over the line before the Budget is how perfectly good transactions get put at risk. If you're selling your main home, don't create an artificial deadline for yourself because of a CGT concern that may not apply to you in the first place.

What could buyers lose by waiting until after the Budget?

Three things stand out to me: choice, negotiating power and time. September can bring some of the best new listings of the year, and the better properties can disappear quickly, particularly in parts of the market where supply's already tight. Family homes near good schools are an obvious example. If you've found the right one, there's no guarantee it'll still be sitting there after 28th October while you wait to see what the Chancellor says. Buyers can also have useful negotiating power when confidence is softer. London prices are down around 1.5-2.5% annually, and in London and parts of the South East there are motivated sellers and price reductions. That's the sort of environment where a serious buyer can potentially negotiate. Then there's the simple opportunity cost of waiting. You could spend weeks sitting on the sidelines only for the Budget to arrive and discover that the tax change you were worried about either didn't happen or doesn't affect you. Meanwhile, somebody else may have bought the property you wanted. Waiting isn't automatically the safer option.

Should sellers list now or wait?

It depends entirely on where you are. Treating the UK as one housing market is one of the biggest mistakes I see people make because conditions can be completely different from one region to another. In London and the South East, where the market is softer, I'd be looking at listing now and making the most of the September and autumn activity rather

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than waiting for some perfect moment after the Budget. Price realistically; look at what comparable homes are actually achieving and give serious buyers a reason to engage. It's a different picture in resilient regional markets where prices are still growing. Sellers there may have more room to be patient, and waiting could potentially improve the price they achieve. After 20 years in property, I can't remember seeing the regional gap this wide. That's why a single national house-price figure can be so misleading. It's an average that very few buyers or sellers actually experience.

Can buyers use Budget uncertainty to negotiate harder?

Yes, but only where the numbers back them up. Uncertainty isn't leverage on its own. I'd start with recent sold prices for genuinely comparable homes. Then look at how long the property has been on the market, whether it's already had a price reduction and what similar properties nearby are doing. Seller motivation matters as well. Someone who needs to move because they've already found their next home may be much more open to a sensible offer. That's a much stronger negotiating position than simply telling the seller there's a Budget coming. If the evidence shows that the asking price is too ambitious, use it. Lead with sold prices rather than speculation.

What should actually drive someone's decision to buy or sell?

Life first. If you're moving because your family needs more space, you're relocating for work, you need to be closer to a school, or you've simply found a home that works for the next stage of your life, those things should carry far more weight than trying to predict a Budget. Affordability comes second. Look at the mortgage rate you can actually get and whether you can comfortably service the monthly repayments. Don't stretch yourself to the limit simply because you're worried about missing out, and don't assume waiting for the Budget will automatically make a property more affordable. Then look at what's happening in your local market. Is the property fairly priced? What have similar homes actually sold for? How much competition is there? If you're buying, how often does the sort of property you want become available? If you're selling, is the offer in front of you reasonable for your area? Those are real questions you can answer today. Landlords have another factor to consider because the rental income tax rise due in April 2027 is already confirmed. That should be going into every landlord's cash-flow calculations now, regardless of what happens with CGT. If you're buying another investment property, I'd make sure the deal still works with that confirmed rise and also consider what the numbers would look like if CGT became less favourable in future.

So should you act now or wait until after 28 October?

For owner-occupiers who have a genuine reason to move, I'd buy now if the home and the price are right and you can comfortably afford it. I wouldn't put a good move on hold because of tax speculation that may have very little to do with you. For landlords who are already exiting an investment or recycling capital and have a sizeable taxable gain, I'd take

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the 28th October deadline much more seriously. The precedent from 2024 is a reason to look at whether completing before Budget day makes sense rather than assuming you'll be able to wait for the announcement and react afterwards.

I've been through enough market shocks and Budget scares to know that waiting for complete certainty rarely gets you very far. The investors who tend to do well are the ones who understand their numbers and are ready to move when the opportunity is right, not the ones waiting for a moment when every question has been answered. Tax-led paralysis has never made anyone money in this market. Being ready has. For most homeowners, focus on the property, the price and whether you can afford it. But if you're a landlord who's already planning to sell and you're sitting on a substantial gain, CGT is the one Budget risk I wouldn't ignore.

About Mohamed Ajami

Mohamed Ajami is a UK property investor, residential property advisor, and asset and tenant operations consultant with 20 years of hands-on experience in the London property market. Since purchasing his first property in 2006, he has built extensive expertise across property investment, acquisitions, portfolio management, lettings, asset optimisation, and strategic sales. He is also a member of the National Residential Landlords Association (NRLA). Having successfully navigated major market events including the 2008 financial crisis, Brexit, the COVID-19 pandemic, rising inflation, and ongoing market volatility, Mohamed offers practical insight into property cycles, buyer and seller behaviour, investment strategy, and housing policy. His experience combines day-to-day operational knowledge with a broad understanding of the economic and regulatory factors shaping the UK housing market.



Mohamed is a regular media commentator on property trends, taxation, and real estate investment. He has been featured by international outlets including Sky News Arabia, Alhurra, Asia TV, and Independent Arabia, providing expert analysis in both English and Arabic. His commentary helps consumers and investors understand complex housing issues through clear, practical advice grounded in real-world experience.

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