



HISTORIC
HOUSES
SCOTLAND



© Glamis Castle

Historic houses

The heart of Scotland's rural tourism



Introduction

Scotland's heritage is one of our greatest national assets and lies at the heart of our country's global appeal. From Scone Palace to Dunnottar Castle's coastal ruins, Scotland's historic houses and heritage sites embody our nation's identity, pride, and story.

This report celebrates the benefits that Scotland's heritage tourism sites bring to our national economy and to local communities. It sets out practical recommendations to ensure these businesses can play an even greater part in Scotland's future. To inform this report, we surveyed members of Historic Houses Scotland and members of Scottish Land and Estates (SLE) in 2025.

Historic Houses Scotland is the representative body for 180 category A and B independently owned houses, castles, and gardens across Scotland. In 2024, our members welcomed over 1.9 million visitors, generating over £20 million in visitor expenditure and directly employed 1,150 FTE staff.

Scottish Land and Estates is a membership organisation, representing land managers across Scotland. SLE's mission is to lead and support rural businesses to deliver publicly and politically

recognised measurable benefits for society, the economy and the environment, with a focus on people, jobs, and nature.

This report aligns with Scotland Outlook 2030, the country's bold vision for tourism produced through a partnership of the Scottish Government and key sector stakeholders. As we near the halfway point in this strategy, however, too many tourism businesses still lack the tools they need to reach their full potential.

The UK Tourism Minister, Sir Chris Bryant, has set an ambitious target to grow annual inbound UK visitors from 37 million to 50 million by 2030. Scotland — with the highest growth in inbound tourism across the UK in 2024 — is well-positioned to help meet that goal. But to do so, we must ensure that Scotland's tourism businesses, and in particular, our rural tourism businesses are empowered to grow, invest, and lead. There are Scottish solutions to many of the issues facing rural heritage businesses; this report will offer some ways that the Scottish Government can support these businesses.



Photo courtesy of Dunnottar Castle

The value of rural tourism



Photo courtesy of Abbotsford

Heritage is a cornerstone of Scotland's tourism industry. Each year there are around 5.4 million visits to Scottish rural estates.¹ According to a 2023 VisitScotland survey, 68% of international visitors cited history and culture as a primary reason for choosing Scotland — second only to landscapes and scenery at 78%.² Sites such as Historic Houses Scotland member properties and their surrounding landscapes blend elements of both, and draw millions of visitors each year.

Tourism plays a vital role in Scotland's economy. In 2022, the sector generated nearly £9.4 billion in turnover. By 2023, it employed around 245,000 people — 9.2% of Scotland's total workforce — marking a significant recovery from pre-pandemic levels.³

Rural tourism, with its historic landscapes and cultural heritage, remains a powerful but underutilised asset. While cities like Glasgow and Edinburgh attract high visitor numbers, many rural areas continue to experience under-tourism. These regions offer a valuable opportunity for sustainable tourism growth that benefits local communities and diversifies the national appeal.

1. <https://tinyurl.com/msdh58ru>

2. <https://www.visitscotland.org/research-insights/about-our-visitors/why-people-choose-scotland>

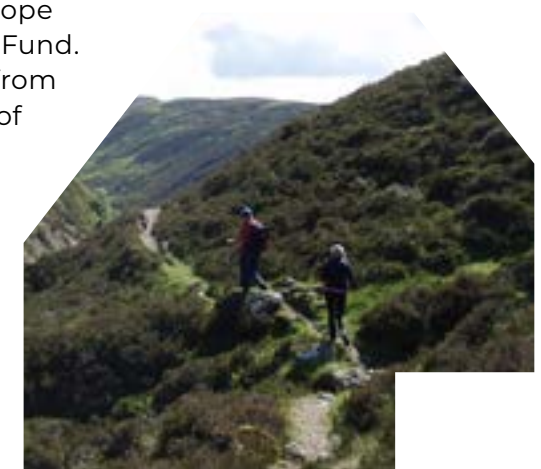
3. <https://www.visitscotland.org/research-insights/about-our-industry/tourism-employment>



Photo courtesy of Bowhill House

To unlock this potential, rural tourism and the businesses supporting it must be enabled to flourish. Government support is key. This can be through improved regulation, including reforming the short-term lets licensing scheme and creating a simple visitor levy. Government can also offer greater access to funding, through the expansion of the scope and availability of the Rural Tourism Infrastructure Fund. This can be achieved through reinvesting savings from initiatives like iCentre closures or the introduction of visitor levies directly back into tourism.

Equally important is investment in skills. Expanding apprenticeship and training opportunities — as outlined in NatureScot's 2025 recommendations — would help build a stronger rural tourism workforce and ensure the sector is equipped to meet future demand.⁴ This has the added benefit of encouraging young people to remain in rural areas, improving community sustainability.



Visitors enjoying trekking. Photo courtesy of Blair Castle

4. <https://www.nature.scot/doc/nature-based-jobs-and-skills-implementation-plan-2024-25>

Social Value of Tourism

The benefits of heritage tourism are not solely economic and financial. Our member places offer the chance for local people to engage directly with heritage and nature. These places host art exhibitions and cultural events and offer volunteering opportunities, in rural areas that often have limited community infrastructure.

From electronic music festivals like FLY at Hopetoun House to artists' residencies at Marchmont, in the Scottish Borders, family-centred activity workshops at Mount Stuart on Bute, falconry exhibitions given by Dunrobin Castle's resident falconer in the Highlands, or rewarding volunteering opportunities at the Japanese Garden, Cowden, our member sites offer great value to visitors and the local community alike.

Research shows that tourism leads to a greater sense of local and national pride, enhances the daily quality life of residents, and acts as a catalyst for social regeneration.⁵ Recent work on the social value of heritage sites has found that these sites 'provide significant economic and cultural benefits to visitors, far beyond their market value.'⁶

Government can help to support these sites by creating supportive business conditions, as well as funding opportunities for the rural tourism sector. Government can encourage private sector investment in rural businesses by reducing bureaucracy and red tape (particularly, for example, in the backlog of the planning system caused by overburdened and understaffed local authorities) which can cause significant delays and smother growth.

5. The Social Value of Tourism, May 2025, VisitBritain
6. Beyond Ticket Prices: Understanding the Value of England's Historic Attractions Sites, March 2025, Historic England



Photo courtesy of Mount Stuart



Photo courtesy of Thirlestane Castle

Investing in heritage tourism

Given the enormous contribution tourism makes to Scotland's economy, it is often surprising how little support is offered to the sector by the government. There is a serious lack of confidence in the Scottish Government across the rural tourism sector. When asked in our survey 'Does the Scottish Government understand and appreciate rural tourism?', 95% of respondents said 'no'. It is vital that the Scottish Government reclaims some trust from the business owners and operators that form the majority of the sector.

The Covid pandemic not only meant immediate losses of revenue, but also an increasingly uncertain outlook for the tourism industry. Recovery has been rocky due to the ongoing cost-of-living crisis. The introduction of the short-term lets licencing scheme and visitor levy are significant drags on business performance and have not helped generate confidence amongst the business community. While the majority of our members have returned to pre-pandemic visitor levels (though not necessarily pre-pandemic income), rural heritage businesses still need additional support to flourish.

A recurring message from our survey was that the removal of VAT from the cost of maintaining historic buildings would be a significant benefit. In January 2025, Historic Houses released a report that demonstrates the value of a VAT rebate scheme for heritage sites open to the public.⁷ There is an opportunity here for Scotland's politicians to stand up for their rural tourism businesses and promote VAT relief on repairs and maintenance of historic buildings in Westminster.



Photo courtesy of Logie Estate © Gary Murison

7. <https://www.historichouses.org/app/uploads/2025/01/vat-summary-v10.pdf>

Short-term lets

Short-term lets are central to Scotland’s visitor economy providing overnight accommodation for tourists across major cities and remote islands. Short-term lets play a crucial role in enabling wider types of travellers to visit Scotland whose travel plans do not suit hotels, like large groups and those seeking self-catering facilities. In a handful of hotspots, like Edinburgh, huge quantities of short-term lets may have had a negative impact on local housing; but it is clear that the ‘impact’ of short-term lets varies wildly across Scotland.

Historic Houses Scotland members and Scottish Land & Estates members are much more likely to suffer from under-tourism than over-tourism. Those who operate short-term lets do so to attract overnight visitors, but they also offer long-term accommodation options for local tenants. Respondents to our survey were keen to note that the short-term lets licencing scheme seemed to target a problem predominantly felt in the central belt, and has had an unfair consequence for rural tourism.

An overwhelming majority, 89%, of our members that responded to our question on short-term lets had a negative view of its rollout. They were not necessarily against the licensing of short-term lets but found the current system overly bureaucratic. Respondents to our survey who have navigated

the licensing scheme declared it ‘an extra burden and unhelpful’, ‘cumbersome’, and a ‘waste of time, money and effort’. The wildly varying cost of licensing from local authority to local authority was also highlighted.

Delays in the process of licensing applications caused problems. One respondent had two furnished properties, ready to be let, but was forced to wait for six months while their licensing request was processed. This resulted in half a year of no return on their investment due to the bureaucratic backlog. Councils have up to nine months to process an application: this is too slow.

The needs of rural tourism businesses differ from those in urban areas. Smarter regulation would do more to reflect these differences.

59% of respondents to our survey identified ‘regulatory burdens’ as a principal challenge facing their business. Additional bureaucracy brings greater challenges to owners and operators of tourism businesses. Government can ease the pressure put on tourist sites by reducing unnecessary red tape. We would encourage Government and local authorities to apply the lessons learned from the rollout of the short-term lets licensing scheme, to the implementation of visitor levies. It is vital that Government listens to tourism businesses and reflects on their concerns.



Autumn Budget

The 2024 Autumn Budget had serious negative impacts on many Historic Houses Scotland and SLE members. Family Business UK predict that the policy changes announced in the Budget, including changes to inheritance tax reliefs, will have ‘outsized repercussions’ to Scotland in comparison with the rest of the UK. It is estimated that Scotland will see a £1.2 billion loss in GVA and that businesses will see employment numbers fall by 10.4% on average; this amounts to an estimated loss of 16,221 FTE jobs.⁸ Increases in the minimum wage, changes to inheritance tax reliefs (Agricultural Property Relief and Business Property Relief), and increases in employer National Insurance Contributions (NICs) are all cited regularly as policy shifts that will negatively impact their tourist businesses. While all businesses are impacted, many tourism businesses operate on incredibly thin margins.

When asked to identify the principal challenges facing their business, 90% of respondents cited the ‘rising cost of doing business’. The vast majority, 82% of respondents to our survey, said they had been affected by changes to NICs, while 68% and 67% had been impacted by changes to inheritance tax reliefs and increases in the minimum wage, respectively. These changes will be catastrophic for UK family businesses.

86% of respondents said they would be less likely to invest in their business following the changes. Several respondents said that they would be less likely to recruit permanent staff due to the new, added costs. These businesses now have less money to invest in their local economy, and they feel that the risk of investing is now higher. It is likely that job cuts will follow.

This will severely stunt the growth of the tourism industry, in a time when its success underpins the wider success of the national economy. Lobbying the UK government to reassess the changes to NICs and Agricultural Property Relief and Business Property Relief must be a priority.

8. <https://familybusinessuk.org/wp-content/uploads/2025/05/FBUK-Taxing-Futures-Report-June-2025.pdf>



Photo courtesy of Gordon Castle



Photo courtesy of Duart Castle

Making rural tourism sites accessible

‘VisitScotland’s Scotland Outlook 2030 aims to ‘encourage visitors across Scotland’ so they can experience ‘all of Scotland’s assets’.⁹ However, if this ambition is to be achieved then access to rural Scotland must be made as straightforward as possible. Half of Historic Houses Scotland member properties do not yet have access to superfast broadband, while the ambitious R100 programme is seeking to change this, progress has been slow and uncertain; businesses without decent connectivity are being left behind in our increasingly fast-moving digital world.

Additionally, 44% of member places are over a mile away from the nearest public transport. Infrastructure must be improved if rural Scotland is to take advantage of technological developments and maintain their workforces.

The tourism sector regularly suffers from financial contraction of its government-supported services. The decision to close iCentres was part of VisitScotland’s ‘strategy to grow the visitor economy’. However, the impact on the rural visitor economy may prove to be a negative one. Rural tourism sites rely on non-digital means to attract visitors to a greater extent than urban tourism sites, not least because large chunks of rural Scotland have very poor mobile network coverage. Money saved through the closure of iCentres should be redistributed in ways that will benefit rural tourism. This could be through greater digital marketing presence for rural properties or the creation of additional brown signs.

9. <https://scottishtourismalliance.co.uk/wp-content/uploads/2020/03/Scotland-Outlook-2030.pdf>



Photo courtesy of Ardtornish House

Rural transport

The reliability and regularity of public transport in rural areas has declined in recent years. A major concern for rural tourist businesses is the local transport infrastructure. For 44% of Historic Houses member properties, the closest train station or bus stop is over a mile away. The ‘final mile’ problem is an issue that impacts visitors and supply chains. Ensuring that suitable infrastructure is in place, for all types of transport is essential for rural business success. Improving transport infrastructure benefits both visitors, employees, and local residents.

In a recent report on young people and heritage engagement, Historic Houses found that 80% of young people would be willing to walk up to a mile from a local transport hub to a heritage site.¹⁰ Even with this positive piece of evidence, the reality is that many of our members are still over one mile from a public transport stop.

Where there are bus services, they can be ‘infrequent’ or ‘clunky’, which simply promotes the use of cars. One respondent said that buses to their local village are ‘unreliable and less frequent than five years ago’.

It is vital that existing transport links are maintained and improved if the rural tourism sector is to fulfil its potential through public engagement and using local anchor towns and villages as ‘transport hubs’.¹¹

10. <https://www.historichouses.org/app/uploads/2025/05/gen-z-heritage-engagement-report.pdf>
11. <https://ippr-org.files.svdcn.com/production/Downloads/Wheels-of-change-ID-May-24.pdf?dm=1728042360>



Visitor levy

Following the passing of the Visitor Levy (Scotland) Act 2024, local authorities in Scotland have the power to introduce a levy that is charged on the purchase of overnight accommodation at a percentage rate. This levy affects most accommodation types, from hotels to self-catered facilities to camp sites..

Our members have expressed concerns on the imposition of a visitor levy. It is probable that this levy would have a disproportionate impact on rural tourist locations where a low price is a significant driver in attracting tourists to the area. For example, campsites provide a pitch to accommodate a family in a tent for as little as £15 per night. A £2 per adult nightly fee would increase the amount paid by more than 25%. This should not be seen as a golden ticket to revenue for local authorities; an ill-conceived approach to visitor levies will impact tourism levels and damage local tourism businesses.



One member, based in rural Angus, suggested that a visitor levy might not negatively impact cities like Edinburgh or Glasgow, but in rural areas, where margins are already tight and it is 'difficult enough to get adequate numbers', a small additional charge may push tourists to stay elsewhere. This reality is recognised by VisitScotland who note that 'visitors of all markets are prioritising value for money when they choose a destination for their trip'.¹² Visitors already perceive Scotland as a high cost destination; a visitor levy that reduces Scotland's competitiveness, or reduces daily spending of tourists, is a concern for the country's economy as a whole.¹³

We ask the Scottish Government to strongly encourage local authorities to consider the impact of visitor levies on their rural tourism sites and the wider communities before imposing a levy. Additionally, it is vital that any revenue generated through a levy is ringfenced and directly reinvested to support tourism businesses in meaningful and transparent ways.

12. <https://www.visitscotland.org/tourism-events-industry/visitor-levy>

13. <https://scottishtourismalliance.co.uk/wp-content/uploads/2024/11/Scottish-Tourism-Alliance-Industry-Survey-Report-October-2024-27th-November-2024.pdf>



Photo courtesy of Glamis Castle

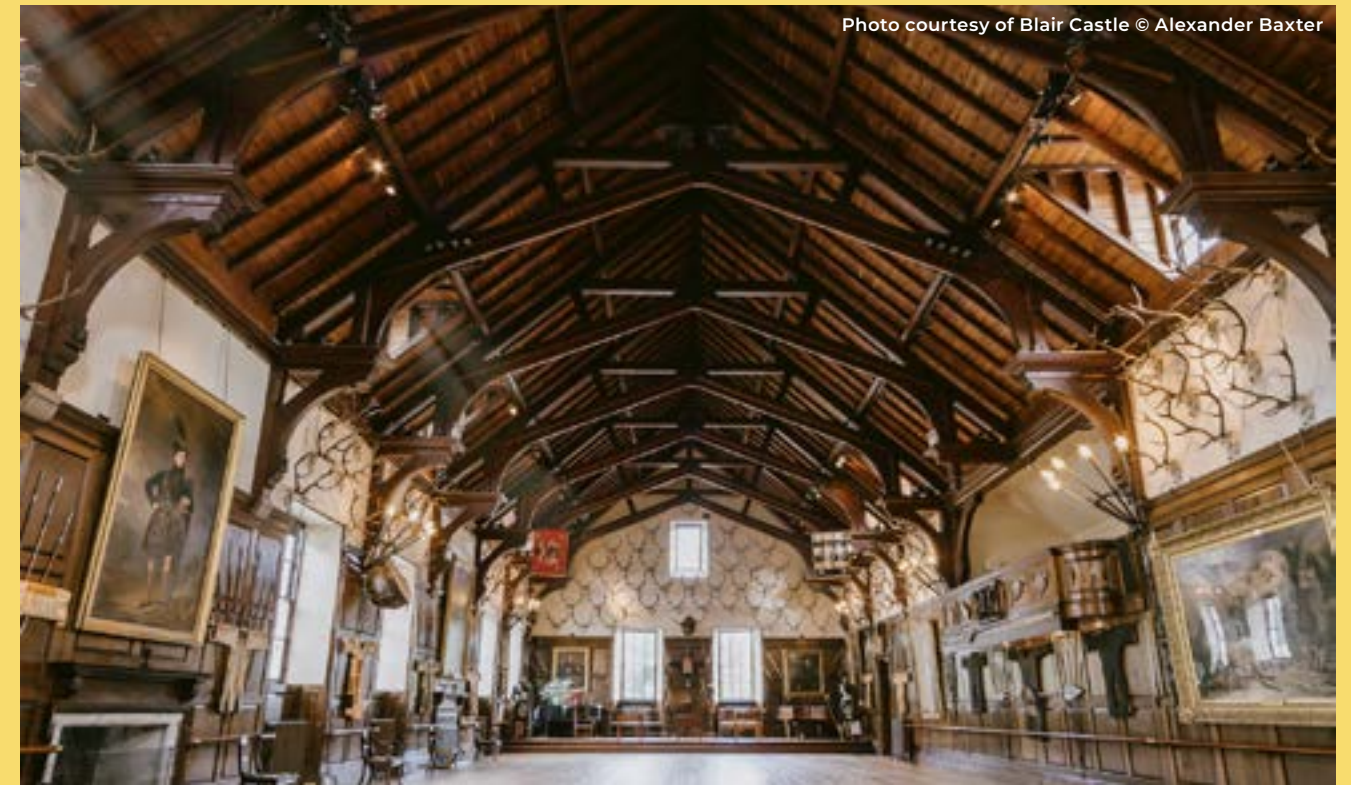


Photo courtesy of Blair Castle © Alexander Baxter

Conclusion

Rural heritage tourism is the jewel in the crown of Scotland's visitor economy. Historic sites and unspoiled landscapes are key drivers for both domestic and international tourism. The custodians of these places — many of which are independently owned — are already doing an exceptional job of preserving and sharing them. With the right fiscal support and clear, enabling legislation, they could do even more.

The owners of these properties are not just guardians of Scotland's heritage; they are entrepreneurs, innovators, and passionate ambassadors for our culture and countryside. They are eager to welcome more visitors, both from home and abroad, to experience the richness of Scotland's history and culture.

Legislative uncertainty, complex regulation, and mounting fiscal pressures are placing real constraints on their ability to grow and thrive. This not only threatens Scotland's tourism potential, but also the vitality of rural communities that depend on tourism for jobs and economic resilience. The regulatory and legislative burden must be reduced if rural tourism is to reach its potential.

With targeted support and a more stable policy environment, rural tourism businesses can invest with confidence, protect what makes Scotland special, and unlock even greater value for the nation. We urge the Scottish Government to recognise the outstanding work already being done — and to help ensure that rural heritage tourism continues to flourish for generations to come.



Photo courtesy of Gordon Castle

An aerial photograph of a formal garden, likely at Drummond Castle. The garden features a central circular area with radial paths, surrounded by various colored trees (yellow, orange, red, green) and manicured lawns. The overall layout is symmetrical and geometric.

Summary of proposals

- ◇ *The Scottish Government needs to listen more to the needs of its rural tourism sector;*
- ◇ *Rural tourism should be valued and treated on its own terms, not as an afterthought to urban tourism. Government should introduce rural impact assessments for all areas of government policy;*
- ◇ *To diversify and grow, rural businesses should have access to skills, and to capital for training and development;*
- ◇ *Rural transport infrastructure must improve in reliability, frequency, and number of destinations;*
- ◇ *Government should ease overly bureaucratic processes in rural areas like the short-term lets licensing scheme and the visitor levy, and should commit to properly reviewing the effectiveness of schemes such as this;*
- ◇ *Government should lobby Westminster for the introduction of a VAT rebate scheme for repairs and maintenance to listed buildings open to the public;*
- ◇ *Government should acknowledge the potential risks to tourism of imposing visitor levies on rural areas, and should ringfence funds raised for reinvestment into the rural tourism economy.*