UK Rural – April 2025

SPOTLIGHT
Savills Research

Tourism, leisure and events market

savills

INDUSTRY PERFORMANCE | TRENDS | BUILDING RESILIENCE

4%
use AI to research their holidays[1]

53%
seek accommodation with "wow-factor sustainability innovation"[2]

73%
consider wellness a top priority in their everyday lives[3]

Tourism, leisure and events – market performance

Building on our 'Tourism, leisure and events: Market in Minutes' published in October 2024, this Spotlight explores the market in more detail and reports on the recent performance, emerging trends and challenges facing the wedding, holiday accommodation and visitor attractions sectors.

Technological advances, economic pressures, environmental factors, policy and demographic shifts are shaping the tourism, leisure and events sector

TOP THREE TAKEAWAYS

01

Venues are innovating and creating new income streams such as offering immersive dining, living history and nature-based activities, pop-up luxury campsites, wild swimming and other outdoor wellness experiences.

02

To remain competitive, tourism enterprises must provide value for money, leverage technology and use targeted marketing.

03

Operators that effectively embrace the emerging trends of authenticity, sustainability and wellbeing will achieve the greatest success.

SAVILLS INSIGHT

"The national picture is generally mixed – with some cautious optimism, but also concern over significant challenges which lie ahead. Recent policy announcements from the government substantially influence this sentiment. Businesses are preparing for imminent changes, including adjustments to inheritance tax, minimum wage levels and employer National Insurance contributions.

Despite adverse weather, the financial performance of the tourism, leisure and events industries generally improved in 2024 compared to 2023. Consumer spending rose as cost-of-living pressures eased slightly from post-pandemic peaks. However, inflation remained above target levels, presenting ongoing financial challenges.

Despite these challenges, we've seen businesses with greater resilience that often buck the national trends. Those who achieve the greatest success offer high-quality and value-for-money propositions, continue to innovate and effectively embrace the emerging trends of authenticity, sustainability and wellbeing."

Simon Foster
Savills Tourism, Leisure and Events

Political and economic backdrop

Tourism, leisure and events businesses will be impacted by new government policies. For example, short-term holiday lets in England and Wales could face minimum energy efficiency targets, while the City of Edinburgh Council is adjusting its licensing policy to address accommodation shortages during the Edinburgh Festival period. Policy change can be positive or negative – the challenge is to remain informed and compliant.

The 2024 UK Budget has significant economic implications for businesses and consumers: the reforms to agricultural property relief (APR) and business property relief (BPR) from inheritance tax will have a monumental impact on many of the country's farms and estates. Since 1992, the owners of agricultural businesses have benefitted from 100% relief from inheritance tax on the agricultural value of their assets and their businesses' trading property. From 6 April 2026, this will change. Under the new rules, the full 100% relief from inheritance tax will be restricted to the first £1 million of combined agricultural and business property. After that, a 50% relief from inheritance tax will apply to a deceased individual's estate, meaning an effective inheritance tax rate of 20%. Our recent research estimated 88% of the UK's farmland is impacted by APR and BPR reform.

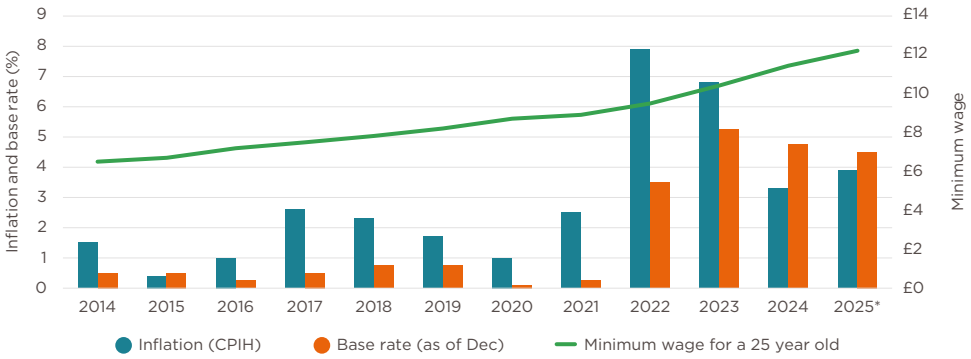
Additionally, an increase in the minimum wage and employers' National Insurance contributions from April 2025 will raise labour costs – and business rates relief will decrease from 75% to 40% in 2025/26. Tax benefits for furnished lets will be removed, and the higher rate of Stamp Duty Land Tax on additional dwellings rose from 3% to 5% from 31 October 2024.

The challenge for businesses is to balance discounting to attract customers with raising prices to cover increasing costs.

VisitEngland reports a strong correlation between admission prices and visitor numbers, with popular sites able to charge a higher entrance fee. Figure 1 shows how inflation and wages have changed over time. Inflation impacts the cost of goods and services.

[1]ABTA, [2]Booking.com, [3]McKinsey

FIGURE 1: INFLATION, INTEREST RATES AND MINIMUM WAGE



Source: ONS, Bank of England, Gov.uk

*2025 data is the most recent made available by the relevant source

Industry trends

Authenticity

The demand for authenticity, whether for holidays, weddings or day trips, continues to rise. Increasingly, people are looking for unique, organic and genuine experiences. For example, Generation Z (born 1997-2012) is known as the digital generation – but for weddings at least, this does not necessarily translate into an abundance of technology, filters and social media. Instead, they tend to favour unplugged ceremonies, natural photography and vintage elements.

Sustainability

According to a YouGov Survey, 72% of UK travellers confirm sustainable travel is important to them, while Booking.com research highlights that 53% seek accommodation with 'wow-factor sustainability innovation'. As well as positively impacting the environment, tourism providers can benefit from promoting their sustainability efforts – such as accommodating active travel options, offering discounts for using public transport and promoting eco-friendly accommodation and venues to attract environmentally-conscious tourists.

Wellbeing

Prioritising wellbeing is a recurring trend, with a McKinsey report finding 73% of UK consumers consider wellness a top priority in their everyday lives. An analysis by YouGov also showed that 70% of Britons stated relaxation and wellness as their primary goal for a holiday.

Technology

It is predicted that the use of artificial intelligence (AI), apps and social platforms will increase, helping to promote brands, improve business efficiency and enhance customer experiences. ABTA reports 4% of people use AI to research holidays, with one in 10 teens and 20-somethings using AI for this purpose. Showcasing visitor destinations via social content provides further inspiration and improves customer expectations before a visit.

Value for money

Fuelled by the cost-of-living crisis, operators must consider how they can offer the best value. Can wedding venues partner with photographers and caterers to offer a better value-for-money wedding package? Can accommodation providers partner with local attractions to deliver discount tickets but increase footfall? By crafting enhanced experiences, all businesses can add value.

Unlocking rural potential

The tourism, leisure and events sector brings significant benefits to rural areas by supporting local businesses and creating jobs through spending on accommodation, food, transport and activities. The industry also promotes and preserves local cultures, traditions and heritage via festivals, exhibitions and events. Sustainable and eco-tourism help preserve the natural environment and wildlife.

The shift away from agricultural subsidies, increased business costs and recent policy changes are putting a strain on farm and rural estate incomes. In England, the Defra Farm Business Survey for 2023/24 reports a decrease in average farm business income of -53% compared to the previous year. The tourism, leisure and events sector offers many diversification opportunities for farmers and landowners to secure alternative sources of income. Successful diversifications can lead to increased income and reduced business risk.

According to Defra, just over two-thirds of farms in England had some form of diversified activity in 2023/24. This has gradually risen by 10% since 2014/15.

Defra Secretary of State Steve Reed emphasised the government's commitment to farm diversification at the 2025 Oxford Farming Conference. He announced reforms to help farmers innovate and diversify their businesses and plans to ensure permitted development rights allow conversions of larger barns into farm shops, holiday lets or sports facilities.

46%
of couples use Instagram to research wedding venues[5]

£23,250
was the average cost of a wedding in 2024, reflecting a 12% increase since 2023[4]

35
is the average age of the wedding couple[4]

Weddings

Innovative wedding venues boost resilience with new income streams

2024 IN NUMBERS

34%	89	72%	51%	25%
of engaged couples are Gen Z.[5]	is the average number of guests.[4]	of couples had their ceremony and reception in the same place.[5]	of weddings occur on a Saturday.[5]	had a two-day wedding.[4]

Communication

- 34% of engaged couples are Gen Z.[5]
- Venues must adapt their communication style when liaising with couples who have grown up with mobiles, apps and social media. Interestingly, this generation is most likely to desire genuine, unplugged weddings.
- 46% of couples now use Instagram to research venues.[5]
- Venues must ensure a strong online and social media presence by creating an engaging website and digital brochure.

Pricing

- The average total cost of weddings has increased, with Bridebook reporting it to be £20,822 and Hitched reporting £23,250 – which is a 12% increase compared to last year.
- The average venue cost has risen and is now between £9,000 and £11,000.[5]
- Couples expect clear and easily accessible pricing to be available online. According to Bridebook, three out of five couples will not contact a venue that does not share its pricing.

Product

- Price, exclusive use and on-site accommodation continue to be the most popular search requirements.
- The importance of good food and drink is increasing when selecting a venue and 20% of weddings now feature a signature cocktail.[4]
- Nearly 21% of Gen Z couples will include pets on their guest list and around a third are planning multi-day weddings.[5]

Seasonality

- While the 'Summer Saturday' is still a popular choice, engaged couples are now considering a wider range of options for their wedding day. According to Bridebook, 51% of weddings occur on a Saturday, 25% between Monday and Thursday and 15% on Friday.
- August continues to be the most popular month for weddings, followed by September and then October.

SAVILLS INSIGHT

"In 2024, wedding venues faced challenges in securing new sales. Venues we work with across the UK reported lower sales figures compared to targets and the previous year. This decline is attributed to the lingering effects of COVID-19 on new relationships, causing fewer engagements. This is likely to be a short-term challenge and 2025 has started stronger in terms of new sales.

Venues are facing rising costs along with concerns about sales performance. The Consumer Price Index reports a 13% increase in the cost of alcoholic beverages and an 18% rise in food prices since 2022. In an industry with event pricing set years in advance, it is crucial to adapt pricing strategies to future cost increases. With recent changes in National Insurance and the minimum wage, we have assisted venues in reforecasting and adjusting their pricing. Simple annual price hikes of 3-5% are not sufficient.

Sadly, some well-established operators have ceased trading recently. However, the wedding venue sector remains resilient and adaptable. Many venues are creating new income streams by offering pop-up festivals, wellness retreats and ticketed events such as seasonal parties or live sports broadcasts. It is crucial for venues to ensure they have the necessary permissions, licensing and insurance for these activities."

Adam Davies
Savills Tourism, Leisure and Events

Industry Insight

"In 2024, we continued to see the impact of a general lack of consumer confidence on forward bookings. Whilst there is always variation by venue, booking volumes across the industry were down, and we needed to work smarter and harder to maintain our forward order book.

In 2025, we are not predicting a return to pre-pandemic levels of consumer spend – but at Artemis we feel very positive and excited about the future. The market is competitive but discounting to maintain market share is a race to the bottom. It's about offering excellence across every element of the customer experience and being able to articulate those strengths to prospective couples. We want to help our couples create truly memorable weddings by adding value at every stage of the day. Our aim is for all our customers, our wedding couples and also their guests, to enjoy the best possible experience; positive word of mouth remains the most valuable marketing asset for wedding venues."

Angus Hastie
Executive Chairman, Artemis

[4]Hitched 2025 Report, [5]Bridebook 2025 Report

Visitor attractions

SAVILLS INSIGHT

Indoor experiences bring year-round trade

"The persistent economic challenges felt across the industry remain in the visitor attractions sector, with the impact of the budget in October yet to fully play out. National living wage increases and changes to employers' National Insurance contributions due in April will increase costs at a time when disposable income and leisure spend remains squeezed.

The great British weather has again had an effect, with two mixed summer seasons and recent severe weather events forcing many outdoor attractions and visitor sites to close. This was often at short notice, with regularly overlooked knock-on effects of needing to reset facilities to maintain standards and ensure the customer experience is not impacted long-term. Indoor attractions have fared better, and where opportunities exist to diversify offers under cover, providing a wet weather alternative can help iron out these bumps and ensure consistency in trading through the year.

There are reasons to be optimistic, however, with consumers continuing to favour high-quality and innovative experiences that allow them to spend time with family and friends. The importance of communicating the emotional benefits of a visit and connecting with the visitor at key touchpoints has been shown to have the greatest impact."

David Collier
Savills Tourism, Leisure and Events

2024 IN NUMBERS

Across the UK

3.4%
The total rate of growth for admissions during 2024 was a modest 3.4% amongst ALVA members.[6]

2.4%
Data from ALVA indicates that those sites that feature a combination of both indoor and outdoor elements saw the greatest increase in visitor numbers compared to other types of attraction at 2.4%.[6]

18%
In March 2025, 18% of UK adults mention the cost of visitor attractions as a barrier to UK holidays and short breaks in the next 6 months, with 11% suggesting they would visit fewer visitor attractions.[7]

Scotland

£14.14
Average adult ticket prices rose by £1.36 to £14.14 and tickets for children increased £1.68 to £7.24 in 2024.[8]

66%
Purchase-on-the-day tickets outsold pre-booked tickets (66%), a change from a near 50/50 split in the previous year.[8]

49%
49% of visitor attractions introduced a "new visitor offering" in 2024.[8]

Industry Insight

"The pandemic has cast a long shadow, and we are still not out of it. However, on a positive note, the visitor attraction sector is very resilient and creative – and by Christmas 2024, many attractions saw record numbers attending seasonal events."

"In terms of re-building businesses to pre-pandemic levels, attractions need to firstly ask themselves who already visits, who doesn't and what are we are going to do about it? Secondly, how do we better monetise what we have already got and thirdly, how do we build better creative partnerships with experts and suppliers to support us and add value?"

Bernard Donoghue OBE
Director, Association of Leading Visitor Attractions (ALVA)

"The good news is that the Scottish attractions sector has experienced a modest 4.2% growth in visitor footfall in 2024. However, the months of April, June, July, August and September were all neutral or declining in numbers. November 2024 was down by 8.4%.

The World Economic Forum ranks the UK 113 of 119 countries for price competitiveness. As we look forward, the changes to National Insurance will increase the cost of business, making Scotland more expensive to visit.

However, despite what remains a challenging climate, there is deserved reason for pride and optimism. Attractions are innovating to suit the market, with new offerings such as premium products, new tours, new retail offerings, technology, inclusion and more. The strength of connection in our sector and commitment to world class experiences will be important over the coming year."

Michael Golding
CEO, Association of Scottish Visitor Attractions (ASVA)

EVENTS INDUSTRY NEWS

Martyn's Law, received Royal Assent on 3 April 2025 and has become the Terrorism (Protection of Premises) Act 2025. It aims to improve preparedness for potential terrorist attacks in venues, events and public spaces where large groups gather. It is anticipated the government will give a 24-month implementation period.

Key principles

Risk Assessments and Action Plans: Venues must conduct regular assessments of terrorism risks and devise response strategies.

Proportional Approach: A two-tier system introduces basic security measures for smaller venues (capacity over 200) and more stringent requirements for larger venues (capacity over 800).

Enhanced Collaboration: Encourages cooperation between venue operators, local authorities, and counter-terrorism police.

Public Awareness: Venues will also be expected to raise public awareness of terrorism risks and self-protection measures.

[6]ALVA Benchmarking Data 2024, [7]UK Domestic Travel Sentiment Tracker | VisitBritain.org, [8]ASVA

242%
increase in 'unusual places to stay' website traffic during 2024 compared to 2023[9]

2%
increase in the number of nights reserved across the UK between December 2023 and December 2024[10]

9%
increase in the supply of short-term rental properties across the UK between December 2023 and December 2024[10]

Holiday accommodation

Top-performing accommodation providers offer authentic experiences, green credentials and wellness options

SAVILLS INSIGHT

"2024 showed improvement over 2023 for many holiday accommodation owners, which is noteworthy given the challenges faced by the sector. However, uncertainty persists around future regulations and consumer confidence due to increased living costs and poor summer weather in the UK. Early 2025 shows promise with many reports of strong booking levels.

There is a growing perception that classic destinations such as Cornwall are saturated with overpriced offerings due to high demand, which may now have started to make an impact. Devon, Cornwall and Wales achieved lower occupancy rates than they have for the past few years[11], possibly suggesting that guests needed more convincing to pay premium rates.

Due to challenging market conditions, guests increasingly book later and opt for shorter stays. Customer expectations remain high, and the quality of the accommodation offered is usually more important than the number of nights. To increase occupancy, owners must be realistic about the price point, at least in the short term. Offering an early booking deal or a 'book now pay later' option can boost forward bookings.

High-quality cabin and treehouse accommodation is still achieving high occupancy, especially those focused on experience, wellness and sustainability. These are critically important factors, particularly for Millennials and Gen Z, who account for an increasingly significant market share. Unique accommodation continues to draw guests in, with 'unusual places to stay' seeing a 242% increase in website traffic during 2024 compared to 2023.[9] Small spaces catering to lower budgets while still offering a full experience are increasingly popular, with Canopy and Stars recording an 850% increase in shepherd huts being offered to meet demand."

Simon Foster
Director, Tourism, Leisure and Events

2024 IN NUMBERS

18%
18% increase in the average daily rate and a 9% increase in the supply of short-term rental properties from December 2023 to December 2024, with a 2% increase in the number of nights reserved across the UK.[10]

72%
In December 2024, all UK destinations apart from Scotland (-5%) saw supply growth. The reduction in supply in Scotland is probably due to the introduction of short-term let licences. The most growth was seen in the East Midlands (72%), West Midlands (71% and the North East (67%).[10]

32.4m
VisitBritain reported British residents took fewer overnight trips compared to 2023,with 27.5 million in England and 32.4 million in Britain. Despite this decline, the total spend increased by 14% due to higher spending per trip.[11]

52%
According to Deloitte's Travel Weekly Insight Report, 52% of UK consumers plan to spend more on their holidays this year. Canopy & Stars' 2024 average booking value is currently £546, up from £528 at the same time the year before.[9]

England

- The North East, East Midlands and West Midlands have the fewest short-term rental properties and, subsequently, the lowest number of nights reserved. However, they continue to show the strongest growth in both supply and nights reserved in recent years.[10]
- The distribution of nights reserved across the UK follows a similar trend to that of supply, with the most nights reserved in London, the South West and the South East in December 2024.[10]

Scotland

- Average occupancy for self-catering properties in 2024 was 41.6% versus 43.1% in 2023. The most popular locations (in terms of occupancy) were Shetland (82.5%), the Outer Hebrides (65.3%) and Ayrshire & Arran (63.1%).[12]
- 5-star properties continue to be the most popular (59.2% occupancy); however, 3-star properties (50.9%, representing 6% year-on-year growth) have outperformed 4-star properties (46.6%).[12]

Wales

- Of all regions, Wales has the steepest decline in occupancy rates since 2019 (-6%), reflected in the lowest occupancy rates in December (38%).[10]

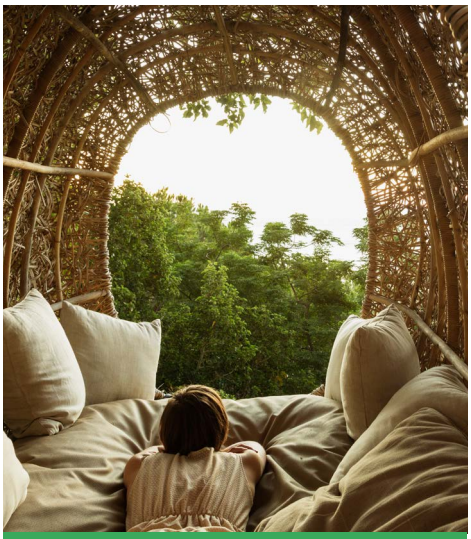
[9]Canopy and Stars Market Report 2025, [10]VisitBritain Short-Term Rental trends report from Lighthouse, [11]VisitBritain Great Britain domestic overnight trips 2024 report, [12]VisitScotland Scottish Accommodation Occupancy Survey, Self-catering November 2024

Industry Insight

"Last year was slightly better than 2023 in terms of occupancy. However, it's become a very price-sensitive market and guests are looking for deals. Interestingly, they are less likely to downgrade the quality of the holiday property and will instead reduce the length of the stay. This fits into a wider shift seen towards shorter breaks in cottages and lodges.

In 2025, we expect to see a continued recovery. Occupancy on cottages are currently picking up, but people are booking later. It is important that property owners are not too precious on price and should focus on building their customer base and reputation with positive reviews to ensure strong demand."

Joe Cross
Director of Strategy & Finance,
Sykes Holiday Cottages



To increase occupancy, owners must be realistic about the price point, or at least in the short term.

"The resilience of Scotland's self-catering industry is being tested by evolving guest expectations, tighter regulations and market fluctuations. While the sector is facing uncertainty – particularly around short-term let licensing, taxation changes and the cost-of-living crisis – there are opportunities for growth. Increased international interest, eco-conscious tourism and the demand for authentic local experiences provide a chance for self-catering businesses to adapt and thrive. However, for this to happen, we need a level playing field, clear regulatory frameworks and strong industry support to ensure Scotland remains a top destination for visitors."

Fiona Campbell
CEO, Association of Scotland's Self-Caterers

HOLIDAY ACCOMMODATION INDUSTRY NEWS

Short-term let licences

In Scotland, short-term let licences are mandatory for anyone offering accommodation for short-term stays. The law, updated in 2024, requires prospective hosts to obtain a licence before taking bookings or receiving guests. Operating without a licence can result in fines up to £2,500 and a one-year ban from applying for a licence.

Planning permission for short-term lets

The Ministry for Housing, Communities and Local Government (MHCLG) announced proposed changes to short-term lets in England, which should come into effect this summer. As part of these changes, people may be required to apply for planning permission from their local authority to turn their home into a short-term let. The rules will not apply to people renting out their main home for less than 90 nights a year.

Energy Performance Certificate (EPC) for short-term rentals

The MHCLG is consulting on requiring EPCs for short-term lets, which would bring them under the Private Rented Sector Regulations. This change aims to improve energy efficiency, prevent landlords from avoiding regulations and protect tenants in areas with housing pressures.

Offering an early booking deal or a 'book now, pay later' option can boost forward bookings.

Visitor Levy introduction across the UK

Local authorities across the UK have the power to introduce a visitor levy (VL) that is charged on the purchase of overnight accommodation. The levy aims to raise revenue for public services, support jobs and growth, encourage sustainable tourism and enhance the visitor experience in the long term.

Wales

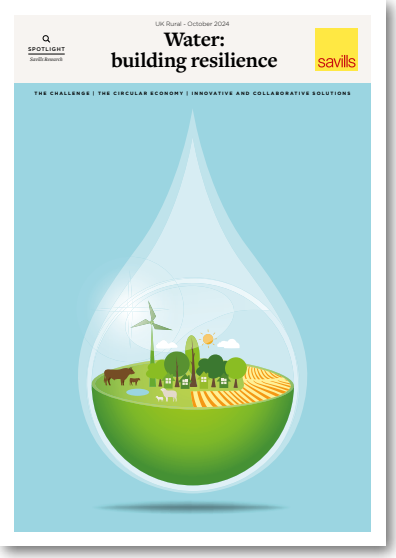
Following public consultation, Minister Rebecca Evans announced in March 2023 the intention to develop the Visitor Accommodation (Register and Levy) Etc. (Wales) Bill, which was introduced to the Senedd in November 2024. The VL rate is set in the Bill as 75p per person, per night for stays at campsites (pitches) and hostels – and £1.25 per person, per night for stays in all other types of accommodation.

Scotland

The Scottish Government passed the Visitor Levy (Scotland) Act 2024 in May 2024. It will be for each local authority to decide after consultation, whether or not to introduce a VL scheme. At the time of writing, the City of Edinburgh Council has voted to introduce a VL; from 24 July 2026, a levy of 5% on overnight accommodation will be applied (to a maximum of five nights). Several other local authorities are currently considering one.

England

Currently, in England, there is no primary legislation permitting a tourist levy; however, manycities like Manchester and Liverpool are using legal workarounds to implement a form of VL. They have introduced a Business Improvement District specifically for hotels and other accommodation providers, allowing them to add an additional charge to the customers' bill.



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