

SCOTTISH ESTATE MARKET REVIEW

SPRING 2025

SOUTH SLEAT ESTATE, ISLE OF SKYE,
INVERNESS-SHIRE
For Sale - Offers over £6,750,000

MARKET OVERVIEW

Resilience and Transactional Consistency Amidst Legislative Change

In the Scottish estate market, the latter part of spring marks the fresh “selling season” – when estates that have undergone months of careful preparation and planning are finally launched to a global market audience, to which such properties consistently appeal.

For the vendors and agents of such places, it is always an anxious moment. Regardless of the longevity of ownership or circumstances, the decision to sell is rarely taken lightly. Considerable effort also goes into compiling data, refining particulars, and managing presentation. The bated breath on the selling side of the net is palpable, as everyone is conscious it is a niche market where the dynamics can be capricious and much can change quickly.

With several sales instructions having been painstakingly prepared over recent months, what can or should be expected by our vendor clients, prospective purchasers and ourselves when our sales go live this summer?

In a seasonal market, looking back on 2024 provides a useful context. In the Scottish estate sector, we had several events during 2024 that had the potential to significantly impact the performance of the market – in both the immediate and the longer term.

In March, the Scottish Government introduced the Land Reform (Scotland) Bill. This proposes substantial changes to the way in which either large estates or connected landholdings that equate to more than 2,500 acres (1,000 hectares) may be sold with a prohibition on private sales and greater regard to local community interests being key parts of the proposed changes.

After a change in government from Conservative to Labour last summer, the new Chancellor, Rachel Reeves' autumn budget announced the removal of the 100% relief from Inheritance Tax for agricultural businesses from April 2026. This is a change that could have significant financial consequences for many owners of Scottish estates that include farming businesses.

The Scottish Government also published its long-awaited Natural Capital Market Framework. It aims to attract responsible private investment into natural capital markets to create a responsible investment market to support economic transformation, climate change, biodiversity and community benefits.

With each of these factors shaping confidence in the sector, its performance showed remarkable resilience as Strutt &

Parker's annual analysis of the key performance indicators demonstrates.

In terms of volume, there was little discernible difference with 24 sales being achieved out of 39 estates available for sale in 2024 compared with 23 out of 41 in 2023.

However, gross investment in the purchase of estates dropped to around £145 million in 2024 from around £173 million the year before – a 17% reduction.

Off-market activity – estates sold privately without advertising – were at their lowest level for five years, accounting for only one third of transactions. This is a sharp drop from 61% in 2021.

Whilst the impression – based on these indicators – is a steady decline in prices, transactional volume remains relatively consistent since the remarkable year of 2021. It is worth remembering that the £145 million spent cumulatively in the purchase of Scottish estates in 2024 is still 79% higher than the five-year average annual cumulative investment in estates of £81 million between 2016 and 2020. Any conclusion that this market is cooling must therefore be viewed in context.

While sentiment became somewhat subdued during the latter part of 2024, early 2025 is encouraging. Several estates that were unsold at the end of last year are now under offer. There is interest from the natural capital sector – where the widely publicised purchase of the 15,000-acre Dorback Estate in the Cairngorm mountains by Oxygen Conservation Ltd has offered fresh encouragement. There is also renewed activity in the private sector where the marginal reduction in average prices is encouraging activity from those discretionary purchasers from the UK, Europe and further afield who had previously felt priced out of the market.

At Strutt & Parker, we are fortunate to have been instructed to handle a number of those sales and are preparing several more for presentation to the market this summer. As ever, it is our privilege to provide our very best efforts in delivering the best outcome we can for both our vendor and purchaser clients.

HEAD OF ESTATE & FARM AGENCY IN SCOTLAND

ROBERT MCCULLOCH

0131 718 4593; 07734 545 972

robert.mcculloch@struttandparker.com



MARKET AT A GLANCE

Supply



39 estates were offered for sale during 2024. A 5% decrease on 2023.



12 of the 39 estates available for sale were offered privately (31%).



The largest estate for sale was over 28,000 acres, the smallest was 184 acres and the average was 4,432 acres.

Demand



24 out of the 39 estates for sale (62%) found buyers in 2024.



33% of the successful transactions were handled privately – down from 57% of private sales in 2023.



75% of purchasers were UK based in 2024 compared to 84% in 2023. 25% of purchasers were overseas-based in 2024, compared to 16% in 2023.

Pricing



£145m was the gross cumulative sum spent on the purchase of Scottish estates in 2024 – a decrease of 16% on 2023.



The average sale price was £6.0m – 20% down on 2023 (£7.5m) and 14% below the 5-year average (£7.0m).



Two estates in excess of £20m and one estate between £10m and £20m were sold. 16 of the estates sold were less than £5m.

STRUTT & PARKER'S SCOTTISH ESTATE PURCHASING SERVICE

In addition to representing estate vendors as selling agents, our team also uses its knowledge, experience and network of contacts in this niche sector to provide independent and objective valuation and purchasing advice to prospective estate purchasers in the circumstances where Strutt & Parker is not the appointed selling agent.

In this scenario, the fundamental role of our service includes the following:

Introducing Opportunities - We monitor the market in order to introduce purchasing opportunities – particularly where they are available on an off-market basis which our clients would otherwise be unaware of.

Providing Background Information and Opinion - Having introduced an estate and provided introductory particulars of sale, we can provide answers to a range of initial questions that any purchaser will have. The answers to these questions will either encourage or discourage our prospective purchasing client from arranging to view the property; but, in any case, they will help to prevent wasted time and cost.

Accompanied Viewing - Following these initial questions, our prospective client will either withdraw their interest or arrange a viewing. In the latter case, we will arrange this for them and can accompany their initial viewing to provide informed feedback.

Valuation and Strategic Recommendations - If a purchasing client wishes to take their interest to the next stage, our role is to provide them with more detailed advice for their further consideration. This advice can include:

- A detailed commentary on the component assets of the estate, including a commentary on their current state of condition and suitability for purpose.
- A photographic record/film of the estate.
- An independent valuation of the estate. This can sometimes be substantially different to the selling agent's asking price.
- A summary of the current management regime, including existing income and expenditure.

- A summary of the strengths and weaknesses of the estate, the opportunities to improve its capital value and the threats affecting its future market value.
- Strategic recommendations for proceeding to try and purchase the estate.

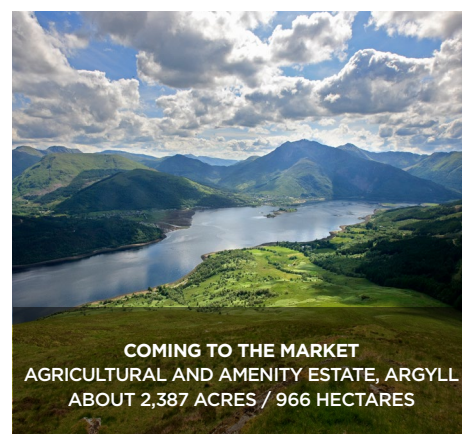
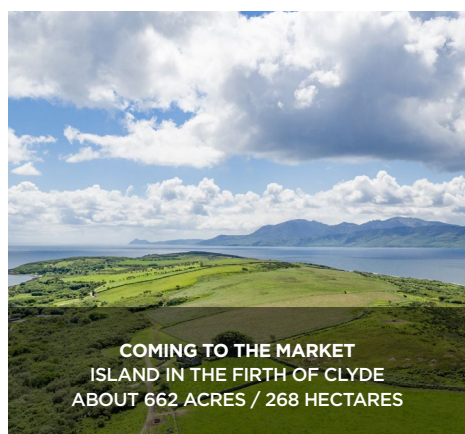
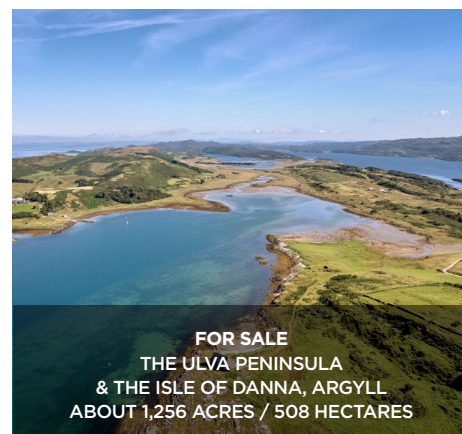
Negotiating a Purchase - If, following consideration of our valuation and associated recommendations, our client wishes to proceed to try and buy the estate, we will begin the process of negotiation on their behalf with the selling agent. In the event where the selling agent fixes a closing date for offers, our role will be to advise on the price and principal terms of our client's offer to purchase the estate.

If agreement is reached regarding the terms of purchase, we will work with our client's Scottish solicitor to achieve unconditional conclusion of missives (exchange of contracts) in the purchase of the estate with minimum delay.

If you are contemplating purchasing an estate and would be interested to discuss our purchasing service and the way in which our fees are charged, please get in touch with one of our team.



HIGHLIGHTS OF ESTATES SOLD BY AND FOR SALE WITH STRUTT & PARKER IN 2024 & 2025



THE MARKET IN NUMBERS

2024 Estate Market Statistics

Performance Indicators	2020	2021	2022	2023	2024	5-yr Average
Number of estates sold (including under offer)	24	28	23	23	24	24
Number of estates available for sale	38	36	30	41	39	37
Average size of estate sold/under offer	2,982 acres	3,860 acres	5,133 acres	4,060 acres	4,432 acres	4,093 acres
Average sale price	£4.70m	£8.80m	£8.20m	£7.50m	£6.0m	£7.00m
% sold versus those available for sale (Conversion Rate)	64%	77%	77%	56%	62%	67%
% sold privately with no advertising	33%	61%	39%	57%	33%	45%
Sum of Purchase Prices	£112.7m	£247.1m	£188m	£173.4m	£144.6m	£173.0m

MARKET OUTLOOK

Scotland is a small country with a global reputation for its beauty, landscape, seascape, built and cultural heritage which has always attracted people of wealth and ambition to buy and enjoy ownership of its particularly special parts in the form of estates. Furthermore, Scotland's combination of low population, relative accessibility and both ground and climatic conditions are well suited to restoration of landscapes and ecosystems which includes, but is not restricted to, its peatlands and native woodlands together with the marine environment adjoining and overlapping with its 6,000-mile coastline.

For these reasons and more, we anticipate that demand for Scottish estates will continue to remain firm from a global audience during 2025 and beyond with estates that are appropriately priced and presented continuing to attract enthusiastic and responsible buyers.

If you are contemplating either the sale or purchase of a Scottish estate in 2025, please get in touch with one of our team for a confidential introductory discussion.

CONTACT US



HEAD OF ESTATE & FARM AGENCY, SCOTLAND
ROBERT MCCULLOCH
07734 545 972
robert.mcculloch@struttandparker.com



ESTATE & FARM AGENCY, HIGHLANDS AND ISLANDS
EUAN MACCRIMMON
07974 304 375
euan.maccrimmon@struttandparker.com



FARM & ESTATE AGENCY, SCOTLAND
DOUGLAS ORR
07920 813 225
douglas.orr@struttandparker.com



FARM, ESTATE AND SALMON FISHINGS AGENCY, SCOTLAND
MURDO NICOLL
07918 362 134
murdo.nicoll@struttandparker.com



HEAD OF FORESTRY, SCOTLAND
SIMON HART
0788 763 055
simon.hart@johnnlegg.co.uk



HEAD OF RURAL RESEARCH, UK
JASON BEEDELL
07795 651 493
jason.beedell@struttandparker.com

Methodology
All data in this market report is from Strutt & Parker's Farmland Database of publicly marketed farmland over 100 acres in Scotland. It has recorded detailed information on the farmland, buildings and soils as well as buyer and seller profiles since 1996, and so is one of the most comprehensive databases available. We have also included privately-marketed estates that we are aware of. What makes it different to other databases is that it records sold prices (i.e. what the farm exchanged contracts for) as well as guide prices, and so is a more accurate reflection of actual market conditions as guide prices can overstate or understate the prices that buyers are willing to pay. The prices stated in this report are based on sold prices. Once an estate is exchanged, we have assumed it is sold, following HMRC custom.

© BNP PARIBAS REAL ESTATE ADVISORY & PROPERTY MANAGEMENT UK LTD.
ALL RIGHTS RESERVED No part of this publication may be reproduced or transmitted in any form without prior written consent by BNP PRE. The information contained herein is general in nature and is not intended, and should not be construed, as professional advice or opinion provided to the user, nor as a recommendation of any particular approach. It is based on material that we believe to be reliable. While every effort has been made to ensure its accuracy, we cannot offer any warranty that it contains no factual errors. Strutt & Parker is a trading style of BNP Paribas Real Estate Advisory & Property Management UK Limited, a private limited company registered in England and Wales (registered number 4176965) and whose registered office address is at 10 Harewood Avenue, London NW1 6AA.