

Bed & Breakfast Accommodation



Overview on Rural Tourism

Tourism is very important to the Irish Economy. In 2004 it was worth €4Bn and the aim is to increase this figure to €6Bn by 2012. Fáilte Ireland tell us that there are two important elements which must be taken into account, if we are to be successful over the next number of years. They are 'different product offerings' and 'better access'.

Regional airports with increased flights will help to overcome the 'better access' issue while, Rural Tourism has the opportunity to contribute enormously to the 'different product offerings' required. Back to nature, health related holidays, the rural environment, quality local produced foods, culture, heritage, walking and traditional leisure pursuits are important elements of the 'different product offerings'.

Rural tourism in Ireland is not a new concept; farmers have supplemented their incomes from rural tourism as far back as the early 1960s in the form of bed and breakfast, with some providing an evening meal, packed lunches, dinner and facilities for fishermen. The appeal of rural tourism is at the very centre of what makes Ireland a unique destination in the holiday marketplace.

There are a number of organisations promoting different types of rural accommodation in Ireland such as, Irish Farmhouse Holidays, Hidden Ireland; Town & Country Homes, Family Homes of Ireland, Health Farms of Ireland.

Providing Bed and Breakfast

While the title states Bed and Breakfast, those merely providing B&B are seriously challenged for business by the budget hotels. Bed and Breakfast on a farm involves much more than *Bed and Breakfast*.

Activities such as farm walks, nature trails, horse riding, feeding chickens, lambs, calves, cycling, environmental experiences such as the dawn chorus, all make the stay on a farm a unique experience not found in a budget hotel. Dinner or an evening meal using one's own home baking, jams and preserves, fresh vegetables from the garden, lamb, poultry & beef from the farm or other local food products like cheeses add to the distinctiveness of a farm holiday and allows the farmer to get a premium price for farm produce. This special experience is what makes the difference between 30% occupancy and 70% occupancy.

Marketing Bed & Breakfast Accommodation

Marketing is an essential element of the bed and breakfast business. In order to access the markets it is essential to be approved by Tourism Accommodation Approvals Ltd., Coolchooly, Ballyshannon, Co Donegal. Tel: (071)9852760 Fax: (071) 9852761. Email: taahomes@eircom.net

The above agency is licensed by Fáilte Ireland to approve Irish Homes providing bed and breakfast. They publish a listing of all approved accommodation for the market place. The main requirements for approved B&B accommodation are a minimum of three extra bedrooms (after the family are accommodated) with hot and cold water in each room. Customers are becoming increasingly demanding in relation to services they require and of course the market demands en-suite bedrooms. Separate sitting and dining facilities for guests are required, as is a separate bathroom and toilet. Rooms must be comfortable, warm, clean and adequately furnished. Car parking facilities must be provided.



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This is one of a series of fact sheets on potential income generating activities.

All fact sheets are available in the Advisory Section of the Teagasc Website
www.teagasc.ie

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Teagasc Fact Sheets present a brief overview of a topic. Further detailed advice should always be sought from relevant sources.

To qualify as a Farmhouse Bed & Breakfast one must have a minimum of 20 acres of farmland. Many bed and breakfast providers are unapproved and depend on location and their own marketing efforts for clients. Putting together a simple low cost brochure is a good exercise in focusing ones mind on what exactly you are selling. A brochure is not enough in itself, a good web-site is the way forward but the right links from other relevant websites are essential so that the customer can quickly find you on the Internet. Fáilte Ireland and the Local Regional Tourism Authorities also provide access to marketing and promotional events which should be availed of to sell ones rural holiday experience.

Costs and Margins

Like many farm enterprises rural tourism is seasonal by nature. Therefore, for maximum income every effort should be made to extend the season. Specialist activities can help e.g. angling packages, Christmas specialities, mountain climbing, visiting local places of interest such as historic sites and gardens, peace and tranquillity, equestrian activities and off-the-beaten-track breaks. In order to manage the business efficiently and to generate a good profit margin, the B&B provider must develop and operate to business criteria. Pertinent questions include, how many people must I have staying over a 5 month season in order to generate a worthwhile income? In other words how many bednights do I require? A bednight (BN) is regarded as equivalent to one person staying for one night.

Capital investment will vary depending on the existing state of the dwelling house. A new house with some rooms already en-suite will require little additional investment. However, renovating and converting an existing house can be quite expensive. Building costs can range from €380 to €700 per square metre. Decoration, furniture, bedding, crockery, etc. should be included in the outlay. Signs, brochures, advertising cards, attendance at promotion and marketing events are also becoming increasingly important to attract business and all cost money.

Returns, costs and margins from Bed/Breakfast @ 100% occupancy*	€
Potential Income from 3 x double bedroom B&B	
6 bednights (BN) @ €35/person/night x 365 nights	
2,190 BN x €35	76,600
Costs: 30%	22,980
Repayments on €100,000 mortgage over 10Years at 4.1% Interest	4,140
Total costs	27,120
Margin with full occupancy	49,480

*Occupancy can be as low as 50%

The above costs do not include hired labour. The profit margin will be directly affected by the occupancy rate; the rate shown is based on Fáilte Ireland figures for approved farmhouse accommodation. Providing an evening meal can enhance occupancy rates but also increases labour input.

Training Services and supports

Training is essential for Rural Tourism development. To cater for the special needs of rural tourism Teagasc provides training and advice to individuals and groups on rural tourism. Teagasc courses are FETAC approved. Do talk to your local LEADER company they may have financial support for some element of the holiday experience in your farm Bed & Breakfast

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