

Farm diversification new business ideas – Tourism and Leisure

Bed and Breakfast

Key points to consider

- Farm bed and breakfast accommodation can be provided by letting unoccupied bedrooms. In some cases additional facilities and refurbishing of the dwelling house may be required.
- The level of profitability obtained is dependent on location and the rate of occupancy.
- Labour input is high, relative to other tourist accommodation.
- You cannot legally trade without a Northern Ireland Tourist Board Certificate.



Market overview

Farm bed and breakfast has for many years been a popular choice for people whether on holiday, business trips or visiting relatives. Some farm families, particularly those living in scenic areas or close to urban areas have successfully integrated farm tourism with their farm businesses. This can provide additional income and seasonal employment for family members or employees.

The 1999 NITB survey of guesthouse bed and breakfast accommodation reported 68 per cent of overseas visitors stayed in bed and breakfast accommodation. Room occupancy rate for 1999 averaged 28 per cent over the year, peaking at 46 per cent in August, the average length of stay in bed and breakfast accommodation was 1.7 nights. NITB have identified that there is a need for more bed and breakfast's in urban areas and there is continuing demand for accommodation in many coastal and rural areas.

Accommodation must be of a high quality in order to secure business in a very competitive market. Many visitors are attracted to farm bed and breakfast accommodation by homely surroundings in a rural setting. Staying on a working farm will give them a unique experience of farm life. Location is important, a good mix of tourist attractions and recreation facilities in the area or within travelling distance will help to attract visitors and sustain the business.

Service delivery requirements

Typically farm bed and breakfast accommodation, is provided by letting unoccupied or spare bedrooms and making use of family labour. In some cases additional facilities and refurbishing of the dwelling house may be required.

Facilities

In essence, bed and breakfast offers comfortable overnight sleeping accommodation for visitors and a cooked breakfast. Tea and coffee should be offered on arrival or made available in the rooms. The main requirements for approved accommodation are a minimum of two bedrooms with hot and cold water but preferably en-suite. Separate sitting and dining facilities for guests are required, as is a separate toilet. Rooms should be comfortable, warm, clean and adequately furnished. Car parking facilities should also be provided. Provision should be made for guests with special needs or disabilities especially in relation to essential amenities and accessibility to the premises.

Advertising/Marketing

Leaflets and brochures, giving full details of your accommodation, facilities and rates, should be distributed through Tourist Information Centres and at key locations in your area and beyond. The best kind of promotion is personal referral. Using a visitor's register will allow you to monitor how your visitors find out about you. This information can be effectively used to target your advertising and ensure repeat business. Membership of tourism groups or associations can be beneficial, where representatives attend trade shows and exhibitions and details of member's facilities are published in their annual booklets and more recently promoted through the Internet.

Legal requirements

To operate a bed and breakfast business, you must have an appropriate Northern Ireland Tourist Board Certificate.

You cannot legally trade without one. Application should be made to the board's Quality Assurance Department for a statutory inspection.

This may only be issued after service delivery criteria are met and the relevant bodies grant permission: planning, fire and environmental health regulations. Authorisation and specialist advice should be obtained from the Local Divisional Planning Service, the Fire Authority and the Environmental Health Department of your local council prior to making application to the NITB.

If a certificate is issued, your establishment will be subject to regular inspections (at least once a year) to ensure that the requirements appropriate to the bed and breakfast category, continue to be met. If it appears that this is not the case, then the Tourist Board will revoke the certificate.

Signs and signposts are usually located away from the premises and may require planning permission. A visitor's register should be kept listing the name, address, and date of arrival of visitors. You are legally required to record the nationality and date of departure for each visitor.

A farm dwelling providing bed and breakfast is subject to normal domestic rates. However, improvements to equip the farmhouse are likely to increase its rateable valuation and the rates charged on it.

Financial considerations

Capital costs

The cost of refurbishing, furnishing and equipping your premises for use as a bed and breakfast can be considerable. Capital investment will vary depending on the situation. A relatively new house with some rooms already en-suite will require little additional investment. However, renovating and converting an older house can be expensive, for example if adding more rooms and en-suite facilities. Decoration, furniture, bedding and kitchenware should also be included in capital costs.

Selective financial assistance for expansion and/or improvements may be available from the NITB, but only after you have completed 12 months of successful trading with a certificate, offering at least two rooms.

Running costs

The main variable costs are food, labour and cleaning costs. The labour input is relatively high and additional staff may be required for larger establishments. Overhead costs such as marketing, insurance, electricity/gas/oil for heating and cooking should also be taken into consideration. Allowances should be made for redecorating and refurbishing.

Returns

A profitable farm bed and breakfast can provide a valuable supplement to agricultural income and may help to improve cash flow. The level of profitability obtained is dependent on the rate of occupancy. The bed and breakfast provider must determine the number of bednights (one person staying for one night) which will be required to cover costs and generate a worthwhile income. Prices for bed and breakfast in Northern Ireland range from around £12 to about £50 for superior establishments with special facilities. Most people intending to make a start in the bed and breakfast business will target the middle of the market, and charge around £15- £18 per person, with reductions for children sharing a room.

Further contacts and information

For more information and application forms for certification contact:

Northern Ireland Tourist Board

Tel: 028 90 231221.

Fax: 028 90 240960.

E-mail: qualityassurance@nitb.com

www.nitb.com

Northern Ireland Farm and Country Holidays Association NIFCHA was formed to bring together and promote farm and country holiday bed and breakfast providers and promote their interests.

Tel: 028 8284 1325

E-mail: greenmountlodge@lineone.net

Web site: www.nifcha.com

Useful publications

For a full account of the regulations and procedures consult the document Basic Guide to Starting a Bed and Breakfast Business. The minimum requirements for bed and breakfast's are set out under Schedule 3 of the Categories of Tourist Establishment (Statutory Criteria) Regulations (Northern Ireland) 1992. These are available from the NITB.

This information sheet has been compiled by Rural Enterprise Advisers.

For advice and guidance on your farm diversification idea contact your local Rural Enterprise Adviser. For details of the adviser in your area:

Tel: 028 9052 4406.

E-mail: ruralenterprise.afds@dardni.gov.uk

Website: www.ruralni.gov.co.uk/farmdiversification

Note: the information provided herein is for general information only. It is not necessarily complete and is not intended to address the specific circumstances of any proposed enterprise. The market and circumstances may change substantially. Further research will be required before embarking on any new enterprise.

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