

AGRITOURISM BED & BREAKFAST

Introduction



Beware of the costs for conversion of a redundant building to self-catering accommodation.

As demand for holidays in Ireland increases, renting out a bed & breakfast (B&B) or holiday cottage can be an additional way to diversify your farm income. It is still possible to make money, but any farmer who sees tourism as a way of saving an ailing business should forget it, especially if funding has to be borrowed. A redundant shed may look ideal for conversion to self-catering accommodation, but the average cost of creating a high-quality four-to-six-bed unit is around €140,000.

Profits will not be high, and certainly too low to service a loan of that nature. Getting into B&B is easier and cheaper. Competition is such that newcomers will have to reach a very high existing standard. Like everyone who provides accommodation to paying guests, they will have to cope with a mass of legislation. They will also need good communication skills and be prepared to show visitors what is happening on the farm itself.

Another alternative is to cater for land-based activities like walking, fishing, grass boarding and paintball games, with or without the provision of accommodation. However, such enterprises can interfere with farm management. The most successful farm tourism projects are established by people who have sound farming businesses and a very clear vision of what they want to achieve. Involvement in tourism must not be a last gasp attempt to save a failing farm. The market must be thoroughly researched before investment is made. Tourism enterprises have to be sold to paying customers, including overseas visitors, and the best now make full use of the internet. Unless there is something very special to offer, there is no point in opening another farmhouse B&B business if several already operate in the area.

Providing B&B

While the title states bed & breakfast, those merely providing B&B are seriously challenged for business by the budget hotels. B&B on a farm involves much more than bed and breakfast. Activities such as farm walks, nature trails, horse riding, feeding chickens, lambs or calves, cycling and 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 and beef from the farm, or other local food products like cheeses, add to the distinctiveness of a farm holiday and allow the farmer to get a premium price for farm produce. This special experience is what makes the difference

between
30%
occupancy
and 70%
occupancy.



A farm holiday is a unique experience not found in a budget hotel.

06: Agritourism Bed & Breakfast



Specialist activities can help to extend the season.

Costs and margins

Like many farm enterprises, rural tourism is seasonal by its nature. Therefore, for maximum income every effort should be made to extend the season. Specialist activities can help, e.g., angling packages, Christmas specials, 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 (Table 1), the B&B provider must develop and operate to business criteria. A pertinent question is how many people must I have staying over a five-month season in order to generate a worthwhile

income? In other words, how many bed nights do I require? A bed night (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 €480-€800 per square metre. Decoration, furniture, bedding, crockery, etc., should be included in the outlay. Signs, brochures, advertising cards, and attendance at promotion and marketing events are also becoming increasingly important to attract business and all cost money.

Table 1: Returns, costs and margins from bed/breakfast at 100% occupancy.

Six bed nights (BNs) at €35/person/night x 365 nights	
2,190 BNs x €35	€76,650
Costs 30%	€22,995
Repayments on €100,000 mortgage over 10 years at 4.1% interest	€4,100
Total costs	€27,095
Margin with full occupancy	€49,555

Marketing B&B accommodation

Fáilte Ireland, under the Tourist Traffic Acts 1939-2003, has specific powers and functions in relation to the registration, approval and grading of tourist accommodation. They carry out this function by setting the requirements for the various categories of B&Bs and through processes for the regular monitoring of the standards in all forms of approved accommodation. The main requirements for approved B&B accommodation are a minimum of three extra bedrooms (after the family is 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.



Separate dining facilities for guests are required.

Further information

For further Information please contact
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The following resources are also helpful:
<https://bit.ly/3e6oLGv>
www.ildn.ie

Fact sheet produced by Barry Caslin, Teagasc, Rural Economy Development Programme.

www.teagasc.ie/ruraldev

