

Farm Diversification New Business Ideas – Tourism and Leisure

Self-Catering Accommodation

Key points to consider

- Popular option with families.
- Season runs from April to September.
- Location along popular tourist routes and in areas with good tourist facilities/activities is important.
- Disused dwellings or barns can be converted or purpose built chalets can be constructed.
- Capital costs of establishment can be considerable.
- Returns will depend on the quality of accommodation and the season.
- You cannot legally trade without a Northern Ireland Tourist Board Certificate.



Market overview

The demand for good self-catering facilities seems to be increasing in this very competitive market. There are almost 300 self-catering establishments throughout Northern Ireland. A broad spectrum of people, in particular families, use self-catering accommodation, and demand is high for units catering for four to five people. Establishments with two or more units, which offer a choice of unit size, may have higher occupancies.

Self-catering is seasonal usually from April to September. The Northern Ireland Tourist Board (NITB) reported occupancy of 41% for April to September 1999. Some providers have found ways of extending the season by offering out of season weekend and mid-week offers.

Self-catering accommodation will be more successful when located along popular tourist routes and in areas with good tourist facilities/activities.

Service delivery requirements

Old dwellings or barns can be converted or purpose built chalets can be constructed as self-catering accommodation.

By definition, a self-catering establishment provides one or more self-contained units offering clean, comfortable, furnished accommodation for visitors who are also provided with the means to cater for themselves.

Facilities

Each unit must have an area for use as a lounge and dining area, sleeping accommodation, bathroom and toilet, plus catering facilities – all adequate for the number of visitors. The units must be serviced at least once a week. You also need to have reasonable arrangements for the reception and control of visitors. Good exterior presentation of the premises will help to give a welcoming impression. Suitable parking and good vehicle accessibility is also important.

Provision should be made for guests with special needs or disabilities especially in relation to essential amenities and accessibility to the premises.

Advertising/Marketing

You should first look at the existing establishments in your intended area of operation, the facilities they offer and the rates charged. Visitors often make their choice because the premises look well run and welcoming from the outside.

Most visitors will learn of your self-catering accommodation through personal referral, entries in local guidebooks, NITB publications, and specialist literature or press advertising. Membership of tourism groups or associations can be beneficial, as they offer promotion and booking services through publications, via the Internet and at shows/exhibitions.

Leaflets, business cards and brochures giving full details of your attractions, facilities and rates, should be distributed through Tourist Information Centres and at key locations in your area and beyond.

Providing a marketing package that includes accommodation plus, for example, fishing, shooting or other sport, nature interest, or some other activity can increase business.

Legal requirements

To operate an establishment, which provides tourist accommodation, 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 district council prior to making an application to the NITB.

If a certificate is issued, the establishment will be subject to regular inspections (at least once a year) to ensure that the requirements appropriate to the self-catering category continue to be met.

A star classification system is in existence for self-catering establishments. They are classified according to the facilities and services provided and range from one to five-star.

Financial considerations

Capital costs

The cost of building, refurbishing, converting, furnishing and equipping premises for use as a self-catering establishment can be considerable. Capital costs of converting old stone buildings will depend on the current state of repair. Cost of repairs and provision of services: electricity, water and sewage disposal can be substantial and may make some projects uneconomic.

Large capital investments in self-catering accommodation can only be justified where a good return on capital is expected and a proven market exists.

It is difficult to estimate the cost of conversion but you should allow around £300 per square metre (£28/ft²) and for new build approximately £500 per square metre (£46/ft²) fully finished.

Purpose built timber chalets can cost anywhere between £25,000 to £35,000 each. Furnishings may require a further £4,000 to £10,000 per cottage or chalet.

Running costs

Cleaning costs are estimated at around £20/week per cottage. Rates will depend on the value of the property and the sum of the regional and district rate for your area. Advertising costs will vary according to the amount of advertising and the method used. The inspection fee for NITB certification is £25 for every

unit you intend to let, subject to a minimum of £25 and maximum £250.

Returns

Returns will depend on quality of accommodation, location and the season. Ranging from £120 to £450 per week. The average season is 25-30 weeks.

To make a profit in the holiday season, it is important to maximise the occupancy rates of your unit by marketing your business.

Further contacts

For more information and application forms for certification contact:

Quality Assurance Division, The Northern Ireland Tourist Board,
St Anne's Court, 59 North Street, Belfast, BT1 1NB.

Tel: 028 9023 1221

Fax: 028 9024 0960

E-mail: qualityassurance@nitb.com

Web site: www.nitb.com

Northern Ireland Self Catering Holidays Association,
c/o 63 Somerton Road, Belfast, BT15 4DD.

Tel: 028 9077 6174

E-mail: greenmountlodge@lineone.net

Web site: www.nischa.com.uk

The association is recognised by the NITB as the representative body for the self-catering tourism sector.

Useful publications

Basic Guide to Starting a Self-Catering Establishment, 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.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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