

## **STARTING A BED AND BREAKFAST IN CANADA**

### **Questions to ask yourself before starting a bed and breakfast:**

- Is your home located in a desirable setting?
- What makes your home unique or attractive to prospective guests?
- Will the structure of your home have to be altered to function well for you, your family and your guests?
- Will additional furnishings be needed?
- Will you have the time, money, and skills to accomplish what is needed?
- Are you and your family emotionally prepared to have strangers stay in your house?
- Have you consulted professionals with expertise related to the bed and breakfast industry?
- Do you like being with people? Do you have good hosting, conversational and listening skills?
- Do you enjoy maintaining a neat and clean home?
- Are you a well-organized person (for example, to maintain reservation schedules and prepare breakfast)?
- Do you understand the basics of managing, accounting and bookkeeping?
- Have you done your research (services demand, competition, advertising)?
- Do you have realistic expectations? (Do not expect big profits? These are not get-rich-quick operations.)

### **Choosing your location**

Choosing the right location for your business is important. A location will depend on the needs of your business, where your customers and competitors are, and such things as taxes, zoning restrictions, noise and the environment. For most businesses, an appropriate location is critical.

### **INDUSTRY OVERVIEW**

The Canadian industry of bed and breakfast comprises establishments primarily engaged in providing short-term lodging in homes. These establishments provide guest rooms in private homes or in small buildings converted for this use, and they often possess a unique or historic character. Bed and breakfast homes are characterized by a highly personalized service, and the inclusion, in the room rate, of a full breakfast served by the owner or owner-supervised staff.

### **LICENSES, PERMITS AND REGULATIONS**

One area of rules and regulations that all businesses must comply with is that of licenses, permits and regulations. These can be issued at three levels of government: municipal government (local municipality); provincial government and federal government. When creating a company, the entrepreneur must contact each level.

The question of licenses, permits and regulations is a very complex one and there is no uniformity throughout the country. It is better for you to start with your municipal government (local city hall, town or village office or rural municipal office). Most of the time it has the authority to issue its own business licenses. Verify with them also about local regulations, licensing requirements, and zoning by-laws that control property uses in their municipalities.

Then contact your province/territory government and the federal government. Contacts for both governments can be found in the government listings of your telephone directory or on the Government of Canada ([http://canada.gc.ca/othergov/prov\\_e.html](http://canada.gc.ca/othergov/prov_e.html)) Web site.

Examples of licenses, permits and regulations that could apply to you when starting your bed and breakfast may include, but are not limited to:

### **Licenses**

- business license
- tourism establishment license
- food establishment license
- liquor sales license
- performing rights license

### **Permits**

- vendor permit
- building permit

### **Regulations**

- health regulations and requirements
- fire safety standards or regulations
- hotel room tax
- retail sales tax
- Personal Information Protection and Electronic Documents Act(see the document [Protection of Personal Information - Your Responsibilities](#))
- zoning by-laws
- food regulations and requirements
- on- or off-premise signage regulations
- *Competition Act*
- advertising.

## **MANAGING YOUR OPERATION**

### **Insurance**

Insurance needs for businesses vary greatly. It is best to choose an insurance agent or broker familiar with your size of business and, in particular, an agent familiar with your type of operation. If you don't have an insurance agent, it could be a wise decision to ask other business owners in your area to recommend one.

The following is intended to remind you not to overlook the complex areas of business insurance. It is best, however, to discuss your specific requirements with an insurance agent. Adequate insurance coverage, particularly in the area of liability is a must.

#### **Basic insurance:**

- fire insurance (extended coverage on buildings and contents);
- liability insurance (depending on type of business);
- burglary protection (theft coverage);
- dishonesty insurance (covers thefts by employees).

Important: It is your responsibility to contact your insurer and advise them of your intention to provide bed and breakfast for paying guests. Failure to do so could result in the voidance of your homeowners' policy.

### **Furnishings, Supplies and Equipment**

When furnishing a bed and breakfast, here are some items to consider:

## **Bedrooms**

- guest room should have a double, queen or twin bed(s), bedside tables, dresser or writing table or combination, mirror, easy chair(s), desk chair, bedside rug, window screens and coverings, closet, smoke detector, wastebasket, locking door and a posted rate card;
- invest in a good quality mattresses; and
- consider extras such as a clock radio, full-length mirror, luggage racks or local newspaper.

## **Linen**

- have one bedspread, a throw blanket and two each of: blankets, sheets, pillow cases and allergy-free pillows for each bedroom; and
- if you send laundry out, have at least three times the amount of linen in use.

## **Bathrooms**

- consider if you will have shared or private bathrooms;
- provide a bath towel, hand towel, face cloth, wrapped soaps and drinking glass (paper cups in shared bathrooms) for each person;
- install towel racks and good lighting near bathroom mirror;
- remove or lock away all personal belongings, medicines, cleaning solutions, toxics or hazardous substances, and
- put a name plate on the outside of a locked door.

## **Lighting**

- Install wall outlets and lights near beds, mirrors, desks and chairs.

## **Flooring**

- ensure floors can withstand heavy traffic;
- use penetrating seals on wood floors and opt for inlaid instead of printed vinyl;
- use rug underlays to prevent skidding; and
- choose thick and heavy scatter mats so that they lie flat.

Used Equipment - Consider buying used equipment as a cost-saving measure. Sources of used equipment could be a bed and breakfast that is closing or dealers in second-hand equipment. The drawback to this approach is that, often, there are no guarantees with the purchase.

## **RESOURCES**

Resources which may help bed and breakfast owners include, but are not limited to:

### **Publications**

You may find books, magazines and other relevant print material at any Canada Business service centre and/or business service organizations in your community that provide Canada Business information. Contact the [Canada Business](#) centre in your region for the location nearest you.

## **ADDITIONAL INFORMATION**

When seeking business information, feel free to visit the Web sites for the [Business Start-Up Assistant](#) and the [Online Small Business Workshop](#) . You may also want to check with your local library, the major chartered banks, your local Chamber of Commerce, educational institutions and business development organizations -- some of which offer courses, seminars and workshops.