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HOMES

A New Breed of Innkeepers for the Airbnb Era

To compete with home-sharing services, bed-and-breakfast owners must be internet and Instagram savvy while baking scones and making guests comfy

By Amy Gamerman

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In March, Isabelle Chicoine and Karim Houry spent \$1.2 million on a circa-1830s bed-and-breakfast in Woodstock, Vt., that's so quaint it could have been painted by Grandma Moses. But to make it their home, they needed a business plan, a marketing strategy and internet savvy.

"Developing the website, doing the marketing takes a lot of our time," said Ms. Chicoine, 52, who had been working as director of communications for a private school in metro New York before she decided to ditch it all for a life of changing sheets, scrambling eggs and composing picture-perfect yogurt parfaits. "If you present something really pretty, you have a good chance of making it on Instagram," she said.

After investing \$400,000 in a full redesign—complete with faux deer head mounts in plaid flannel—the couple reopened the B&B over the summer, having won key approvals from town authorities. "My PowerPoint skills came in handy," said Mr. Houry, 54, a former executive with a Wall Street financial-services company.

To compete in the Airbnb era, a new breed of innkeepers are ditching the needlepoint pillows and potpourri in favor of free Wi-Fi and vegan breakfast sausage. "Bed-and-breakfasts were getting a bad rap for the doilies. The modern B&B doesn't look like grandma's house," said Heather Turner, marketing director for the Professional Association of Innkeepers International.

There are about 17,000 bed-and-breakfasts nationwide, according the Association of Independent Hospitality Professionals, a nonprofit trade group with 625 members that was founded three years ago—partly in response to the rising number of mid-career professionals who have taken up innkeeping.

"They've had another career as a teacher, lawyer or doctor—they want to be in the hospitality business," said Rob Fulton, the group's CEO.

Inside Some B&B Real-Estate Investments

A look at bed-and-breakfasts in Connecticut, Vermont and Maryland purchased as a “second act” for these innkeepers.



A guest room with a four-poster bed at the Woodstocker Bed and Breakfast, a circa-1830s home in Woodstock, Vt., with nine rooms. OLIVER PARINI FOR THE WALL STREET JOURNAL

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Getting into the business takes money. Stately homes come with hefty carrying costs—taxes, insurance, utilities, staffing and upkeep—which can slice into profit margins. And unlike home-sharing setups such as Airbnb, bed-and-breakfast proprietors often face a host of additional regulatory requirements. Innkeepers must take out extra liability insurance, become certified in safe food-handling practices, submit to health and safety inspections, and install fire-rated doors and alarm systems.

Before taking the plunge, Mr. Houry and Ms. Chicoine attended a three-day course for aspiring innkeepers and served a brief internship at a B&B. They don’t see themselves in competition with vacation-stay websites; in fact, they have listed three of the Woodstocker’s nine rooms on Airbnb. “We are trying to use it in our favor,” Ms. Chicoine said.

Rates at the Woodstocker range from \$159 to \$399, depending on the room and season. At the



The couple purchased the inn in 2017 for \$1.2 million and spent another \$400,000 on improvements. PHOTO: OLIVER PARINI FOR THE WALL STREET JOURNAL

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height of fall foliage in October, the inn's occupancy rate was over 70%.

“The idea is to cover our business expenses and living expenses—not to make more money,” said Mr. Houry.

The couple, who married last year, live in a 1,600-square-foot carriage house on the property—with walls of distressed wood and corrugated metal, high ceilings and concrete floors with radiant heat.

“It was one of the selling points,” Mr. Houry said. “The owners’ quarters in a lot of B&Bs are very

dark and dingy.”

To stand out from the competition, innkeepers must produce well-designed websites along with fresh muffins.

“Our guests find us through Facebook or our web page,” said Jan Smith, who opened the Maple Cove Bed & Breakfast in Leonard, Mich., with her husband, Mark, in 2016. The 1890s farmhouse was in disrepair when the Smiths bought it for a little over \$200,000 in 1994. After raising four children there, the couple embarked on a major remodel in 2012, which cost over \$200,000. Nightly rates range from \$125 to \$165.

“We always said, ‘Someday we’d love to do a B&B with this house,’ ” said Ms. Smith, 60. The Smiths’ primary source of income is their pet-food distribution company. “Mark and I never



Jeff and Maryan Muthersbaugh own the Nehemiah Brainerd House Bed and Breakfast, a 1765 post-and-beam Colonial home in Haddam, Conn. PHOTO: JULIE BIDWELL FOR THE WALL STREET JOURNAL

intended for the B&B to sustain us—as a secondary income it has exceeded my expectations,” she said.

Jeff and Maryan Muthersbaugh didn’t plan on becoming innkeepers when they bought their Haddam, Conn., 1765 post-and-beam colonial for \$535,000 as a weekend retreat in 2002. Over seven years, the couple invested about \$550,000 in improvements to the 5-acre property, including remodeling a cottage and building a carriage house. Then in 2009, Ms. Muthersbaugh, who is 66, lost her job as director of human resources for a manufacturing company.

“I thought, ‘I just don’t want to sit behind a desk anymore—this is a great house, I want to share it with people,’ ” she said.



Rachael's Dowry Bed and Breakfast occupies a historic 1798 home in Baltimore and is owned by Linda Smith. PHOTO: STACY ZARIN GOLDBERG FOR THE WALL STREET JOURNAL

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The Muthersbaughs didn't do much to transform their home into an inn, which they dubbed the Nehemiah Brainerd House Bed and Breakfast after its first owner. Nightly rates range from \$140 to \$400.

"We entertain a lot—always did," said Mr. Muthersbaugh, 63, who also owns an

executive-search firm. "Before we opened it as a B&B we used to have family and friends here, and then it was bed-and-breakfast, lunch, drinks, snacks. Now it's bed-and-breakfast—and they pay," he said. Contemplating retirement, the couple have listed the B&B for \$974,900.

It can take two to three years or longer to sell a B&B, says Rick Wolf, co-owner of the B&B Team, an inn brokerage in Maine and Virginia. His firm currently has listings for about 70 inns and B&Bs, a number that has stayed fairly consistent in recent years.

After Linda Smith acquired Rachael’s Dowry Bed and Breakfast, a regal 1798 brick house in Baltimore, one of the first things she did was get rid of the doilies. “My approach is more casual,” said Ms. Smith, 58, who bought the inn for just under \$1.2 million in 2016 after 30 years in the telecommunications industry.

“I wanted to buy a company—a bed-and-breakfast showed up as one of the options,” she said. “I fell in love with this place and thought, ‘Yes, I could call this home.’ ”



Ms. Smith bought the inn, complete with most of its antique furnishings, for just under \$1.2 million in 2016. PHOTO: STACY ZARIN GOLDBERG FOR THE WALL STREET JOURNAL

Before the purchase, Ms. Smith took a class for aspiring innkeepers, then shadowed the sellers before taking over. She moved into a loft apartment in a circa-1850s brick annex, which overlooks the inn’s courtyard.

She rises at dawn to make carrot-cake pancakes or peach-and-blueberry French toast. Occasionally she is roused at midnight by a guest who can’t figure out the television remote. “Millennials—I’ve had to teach them B&B etiquette,” said Ms. Smith, whose rates range from \$149 to \$249 a night. Antique tables and bureaus have had to be refinished after guests spilled nail polish or left greasy pizza boxes.

“Some guests are high maintenance—I have to make them understand I’m not their waiter, I’m their host,” Ms. Smith said. “But by the time they leave, we’re friends.”

Breakfast Is Served

MAPLE COVE

Leonard, Mich.

Cinnamon buns

Fruit cup with fresh berries, melon, kiwi and pineapple



PHOTO: MAYA STEPIEN

wrapped cantaloupe and a roasted tomato with a parmesan crisp.

Bacon or sausage

THE WOODSTOCKER

Woodstock, Vt.

Fresh brioche

Yogurt parfait with berry coulis

Scrambled eggs with smoked salmon and sautéed zucchini

Savory galette of soft-boiled eggs, sausage, cheese and greens

Bacon

NEHEMIAH BRAINERD HOUSE

Haddam, Conn.

Banana-nut bread

Fruit compote with Greek yogurt and granola

Cinnamon french toast with stewed apples

Maple sausage

RACHAEL'S DOWRY

Baltimore

Oat muffins

Roasted strawberries over Greek yogurt and homemade granola

Mediterranean frittata with sundried tomato, spinach and feta, served with prosciutto-

Vegan sausage

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