

HOME WORK

Find the perfect spot for your *chambres d'hôtes* and set up your gîte in the most tax-efficient way as **Glynis Shaw** speaks to three expats in the holiday business in France

What does it take to run a successful holiday let in France? We asked three of our successful gîte owners about picking location and property, and researching local competition. We also asked them how they registered as a business in France, whether they had run a business before, which skills they transferred and what they had to learn.

The first step is to establish the location, the perfect combination of an area that meets the owner's needs as a place to live, is accessible for guests and has good potential for holidays.

Often the most successful owners, having stayed in many different self-catering properties, choose a property which meets their own criteria for a holiday, usually combining a peaceful location with proximity to shops, restaurants and places of interest.

Before buying, it's important to look at local competition and be clear about realistic pricing, the length of the holiday season and who your market will be. This information will influence the number and size of letting units you need.

Anyone setting up holiday lets in France is obliged to register with the local *mairie* for the purpose of recording tourist accommodation, and you may also need to register for *taxe de séjour*, a daily tourist visitor tax.

It also makes sense to establish a good relationship with the *maire*, who is usually delighted to have properties being used and encouraging tourism.

Anyone who has run a business before will have transferable skills to handle budgets and manage finances. However, when deciding how to set up and

register as a business in France, consult a French accountant or other expert to make sure you are clear and protected in issues such as inheritance and taxation.

All three of the owners we spoke to turned out to have had previous business experience and all have set up as a *micro-entreprise* in France. This is essentially a form of self-employment and carries the advantages of greatly simplified obligations as far as taxation and bookkeeping are concerned.

Even with existing business skills, there will be those that you need to learn. You are in the hospitality business, so people skills such as flexibility and communication – and sensitivity to when interaction is required – are essential. You must be open to having people around and helping to make their holiday successful and enjoyable.

This relates to marketing and customer service – knowing your target market, giving them clear and enticing information and good support in holiday planning. Another useful skill is the practical ability to carry out repairs and maintenance on the property, for both convenience and cost.

Finally, you cannot underestimate the value in learning the French language, at least to a conversational level. This enables owners to assist guests, deal with tradesmen and integrate with the community, combining a business move with enhanced quality of life. ■

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Dave and Bunty recognised the potential of their farmhouse and outbuildings as a letting business and now rent out their seven cottages



Couples-only cottages Boisse, Dordogne

Dave and Bunty Cox have been running Domaine de Fumel holiday rentals for 25 years and achieve an impressive 80% repeat bookings year-on-year for the seven cottages. All are one-bedroom units designed for couples only.

"We've established a good niche market," explains Bunty. "Guests come as couples and like to talk, mix and make friends with other holidaymakers."

The Coxes chose Dordogne because it was a well-known area for letting with good transport links from the UK. "We fell in love at first sight with the old farmhouse and outbuildings and originally intended to renovate and sell it on, but then recognised the potential for a letting business."

Dave already had experience of renovating properties as a business, so he had the skills to convert the property to create quality accommodation. He also spoke good French. Bunty had worked in plant hire and sales.

"Hiring out concrete mixers was not as pleasant as hiring out holiday accommodation with frilly pillows, but seriously, to run gîtes successfully you really must like people – and be adaptable. We have had to accompany guests to hospital when they have fallen ill, to the *gendarmerie* after an incident and even arrange return travel at a moment's notice after a sudden bereavement.

"Advertising is very important; you need to work out who your market is and make sure that your advert and website appeal to those people. Champagne corks popping on a front page will certainly attract those who wish to party all night.

"We have registered as a *micro-entreprise* business. There is a limit on turnover, but it gives us a good tax advantage and is not onerous on bookkeeping. The authorities estimate overheads as a percentage of takings – over 70% – and you are only taxed on the balance and don't have to spend time dealing with VAT invoices or doing the books."

Domaine de Fumel is ID 104363



Nick and Chania offer a personal level of service to the guests who stay with them, and host a welcome meal for them on Monday evenings



Farmhouse gîtes Vinax, Charente-Maritime

Le Manoir de La Foye started life as a cognac distillery but Nick and Chania Coveyduck have created a complex of five stone-built gîtes with one, two or three bedrooms.

Nick is an ex-army helicopter pilot who met Chania while on an exercise in Kenya. "When I retired from the army in 1983, I started in business with a caravan and camping park in Devon. From being a soldier, I found my strategic and practical skills useful and turned my hand to almost everything.

"Seven years later, we became more ambitious, buying a bankrupt self-catering cottage business and developing it into a 10-cottage complex with pool, gym, tennis court and golf course.

"Then we wanted a fresh challenge and spent three years searching as far afield as Canada, Australia and Spain, but settled on France. It's accessible to England for family and our UK customers had said they would come and stay here."

After viewing 68 properties, the couple settled on Le Manoir in 2006 because they liked the range of gîte sizes and the separate location of their own house. "We had researched prices and knew that incomes were less than in the UK, but this is a semi-retirement project so we decided to set our prices on what we thought the gîtes were worth and we found that our customers agreed.

"We had to register with the *mairie*, which took some time, and we run as a *micro-entreprise* business. We also took French lessons to a good conversational level and I've had excellent healthcare in the French system.

"People skills are vital. We give our customers a very personal level of service, offering advice on where to go and what to see in the area, and also make reservations for meals should they want us to. We wander through the complex every morning and afternoon, and our most successful practice is Monday evenings where we host a welcome meal for our guests so that they can meet over a communal barbecue. It gets everyone in the holiday mood."

Le Manoir de la Foye is ID 4957





The four gîtes at Domaine de Barthe are set around a south-facing courtyard and are surrounded by vines belonging to the wine 'domaine'



**Ancient wine domaine
Carcassonne, Aude**

Mark and Nicole Adams run Domaine de Barthe where they have four gîtes set around a south-facing courtyard, surrounded by their own vines. Two sleep six and the other two sleep four people and the couple encourage group bookings.

For 20 years, the couple were running a business in the UK creating display boards and information for tour operators, so they had some insight into the tourism industry.

"In 2003, we wanted a change and did a 'no going back' process, taking a year to explore France and Spain in a caravan while researching locations for a letting business," Mark remembers.

"We considered accessibility, attractions, culture – and climate. If you want to relocate, definitely spend time out of season in an area. Crossing between France and Spain, we got to know Aude and liked its Spanish influence, but the ideal property we found there was over budget and it took two years to negotiate the right price.

"Once the *domaine* was ours, we went to the *maire* and explained our plans and he was very happy. When it came to registering the business, I needed inheritance advice so we spoke to a local accountant recommended by our *notaire*. Our French was not brilliant then, but they were both English speakers. We found that the *micro-entreprise* system was the best way to set up.

"We were aware of several gîte complexes in the area and did have a quick look at the competition, but now we constantly assess and compare local prices. We also researched the length of season, and have done active marketing to build up the shoulder season by encouraging special interest groups like hikers.

"Business skills that I have transferred are financial planning, keeping accounts, market research and marketing. You have to remember guests are on holiday and interact well. Skills I have learned are mainly in DIY, in order to keep the renovation on budget and carry out maintenance."

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Domaine de Barthe is ID 104268