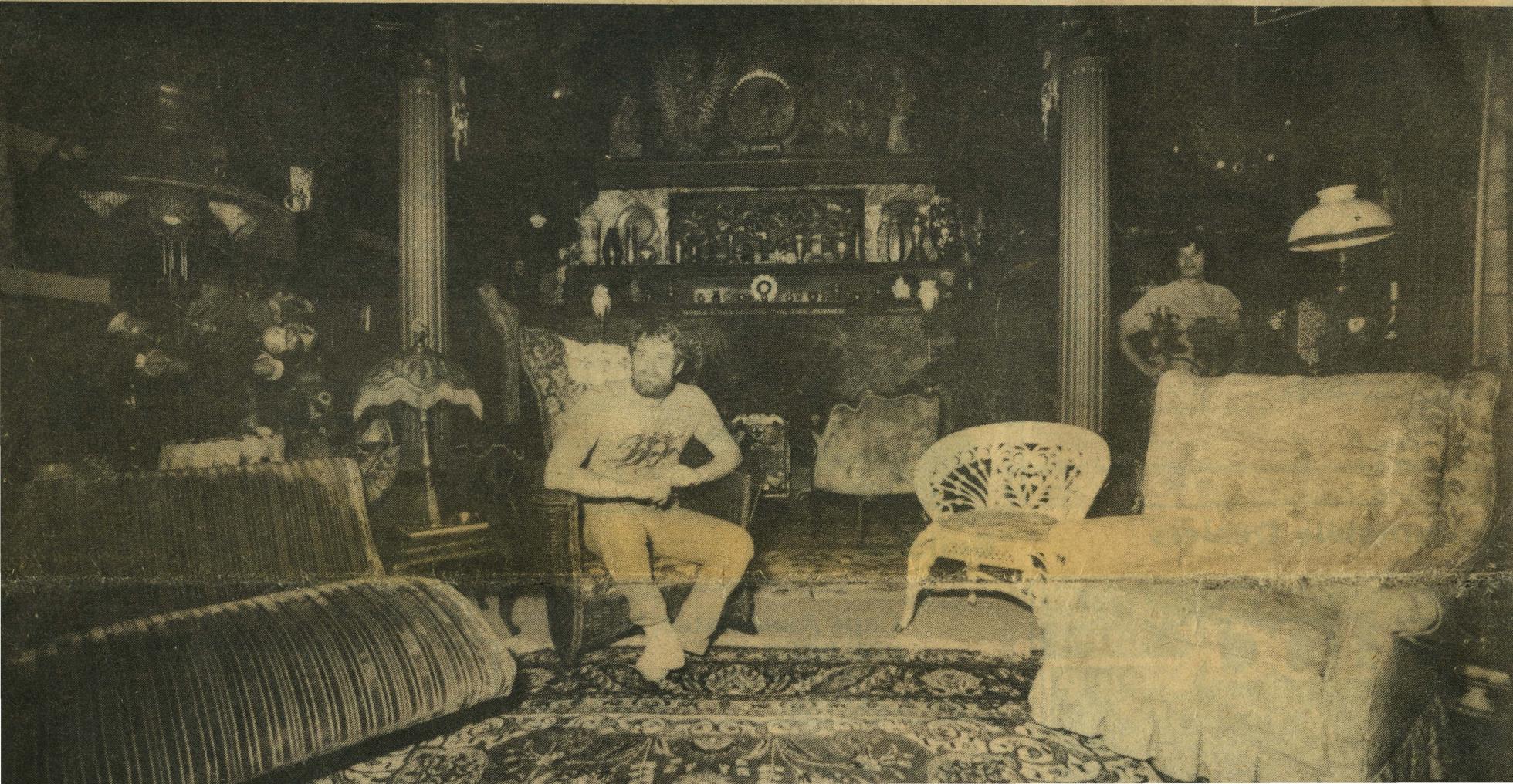


A ticket to Provincetown

Guest houses a way of life



The Provincetown Chamber of Commerce lists nearly 40 guest houses and inns, and the Provincetown Business Guild lists 50 more.

While there are duplications in the two lists, there are probably as many other guest houses that do not list with either organization.

Provincetown Licensing Agent Julia Kane said 67 rooming houses were licensed in 1982, "but they're still coming in this year. I won't have a final count until after the season."

This list does not include motels, cabins, or buildings with rental apartments, which come under the purview of the board of health. Preston Babbitt, president of the guild, estimates that there are "at least 100" guest houses altogether in Provincetown.

Elsewhere, guest houses or rooming houses have been fading into history, but in Provincetown, guest houses are flourishing.

"The demand for guest houses is much greater than the available supply," said Marilyn Colburn of David M. Colburn Real Estate. "It has slacked off by this point in the spring because most potential buyers want to be established before the summer season. But, every year, it's a repeat pattern.

"We see a lot of people who think running a guest houses would be a nice way to be able to live here and earn a living at the same time."

A guest house is the means for living year round in Provincetown.

"We knew we wanted to live here," said Jackie Kelly, co-owner of the Greenhouse at 18 Pearl St., one of Provincetown's newest guest houses. "We wanted to leave New York City and live somewhere we could devote more time to other things, like arts and crafts and music.

"After looking in the Southwest, California, Maine, and Woodstock, N.Y., we settled on Provincetown. It's nice living on the edge of civilization where you can still zip into Boston in a few hours."

"But, realistically, we knew that buying an income-producing property was the only way we could afford to stay," said Karen Harding, Kelly's partner.

Christine Cabral, owner of Christine's Lodge came to Provincetown in 1920 from Kansas with an English family for whom she worked. She married Frank Cabral the next year and, in 1927, they bought a lot and a stable from Reuben Brown at 6 Atlantic St. and converted it into a house.

"A friend of my husband's wanted to move in and offered \$14 a week for room and board," she said. "I saw other people renting rooms, and it occurred to me that it was a good way to make a living, to get ahead. And, it sure got me out of a tight spot in the depression."

Previous experience doesn't seem to be a requirement for guest house ownership. David Schoolman, owner of the Land's End Inn at 22 Commercial St., worked with juvenile delinquents before coming to Provincetown in 1971.

"After renting an apartment my first winter, I decided that I wanted to buy a home with some sort of income," he said.

In partnership with Dr. Frank Zampielo, he bought Land's End "sight unseen."

"We heard the property was available on a Saturday, and we signed the papers the following Monday," he said. "I took a two-hour course in laundry and a few other things from the owner of George's Inn, and went into business."

Babbitt, who owns the Rose and Crown at 168 Commercial Street with Tom Nascembeni, said he and his partner were only looking for vacation property when they were offered their house by Romain and Eileen Roland at dinner one night.

"We ran it for them for a summer, and liked it so much we bought it," he said.

Marge Betzold, owner of the Gull Walk Inn at 300A Commercial Street, had retired from her job as foreman in an electronics plant before buying the Moffett House with Edward Brady and Kenny Summerbell in 1977.

Don Robertson, part owner of the Haven House at 12 Carver St., was director of administration for a construction company for 16 years before "semi-retiring" to Provincetown and buying his house in 1976.

Dissatisfaction with the typical 9-to-5 job and not being able to pursue other activities were cited by a number of innkeepers as an additional reason for getting into the guest house business.

"The typical Provincetown business owner has decided to leave the rest of the world and doesn't want to work any harder for someone else," said Schoolman.

Gabriel Brook, photographer and owner of Gabriel's at 104 Bradford Street, agreed. "I like to work in spurts. I can work a couple of 15 hour days in a row, but then I like to take the next day easy.

"At the same time, I don't think of myself as a business person," she said. "The emphasis in my life is on the artistic, and the guest houses affords me the opportunity and the space for my dark room and photo studio."

Whether operating a guest house is a profitable endeavor depends on a number of factors and how profit is defined. Most owners said that three or four rooms are sufficient for a single owner to make a living, and between seven and ten are necessary for two owners.

Most said they put nearly everything they make back into the house.

"I could stop improving right now, make a good bit of money, and let the place go down hill," said Brook, whose house was an "abandoned flophouse" when she bought it in 1979. "But, every year. I clean the place out, buy new carpets and furniture and change the color of the rooms."

"You won't get rich, but you can live very comfortably," said Schoolman, whose inn has 15 units.

There are obvious tax and income advantages to owning a guest house. Room rentals usually produce enough income to cover the mortgage, the real estate taxes, the utilities and the insurance—even in the case of small houses with only a few rooms, such as Betzold's Gull Walk Inn, which has 5 rooms.

The average guest house room with a shared bath rents for between \$25 and \$45 a night, depending on the time of year and the services offered. Rooms with a bath or cooking facilities can go for as much as \$85, and many guest houses require guests to stay a certain number of nights.

Babbitt considers room rents in Provincetown low in comparison to other resort areas. "I paid \$90 a night in Newport at a guest house right next to a MacDonald's last year," he said.

Improvements or acquisitions are considered deductible business expenses, even down to the coffee and pastries

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Owning a guesthouse

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in those houses that offer a continental breakfast. As an investment property, the portion of the house used for guests and all furniture and appliances can be depreciated.

In the case of an incorporated business, the owner is paid a salary for managing the property, which is also deducted from business income. And, as a salaried employee, the manager may be eligible for unemployment compensation if the guest house is closed in the off season.

At the same time, most inn keepers caution first-time owners against having unrealistic economic expectations, at least at first.

"You have to be pretty well capitalized at first," said Kelly after her first year at the Greenhouse. "There's the license and inspection fee, of course. Then, even though we had two empty cesspools, we had to spend \$1,600 for a new septic tank before we could open."

"We pumped another \$8,000 to \$10,000 into linens, appliances, and other purchases. It's amazing how fast it goes, and there's something else that always needs to be done, like the antenna that blew down in the last wind storm."

"Conforming to the fire code was expensive," said Schoolman. "I had to rebuild and fireproof staircases and put in fire escapes."

Another problem is building up an established clientele, which may take several years, although referrals from other guest houses help take up some of the slack.

Schoolman said that when he bought Land's End for \$139,000 in 1972, "it was virtually a dead business. The previous owner had been sick for the last several years, and I had no clientele. I had to start from scratch."

There are advertizing and mailing costs to consider as well. Most owners advertize in specialized publications throughout the East Coast, and many send Christmas cards and brochures to previous guests.

Robertson originally had Haven House posters printed that he distributed by hand or by mail to bars in New York.

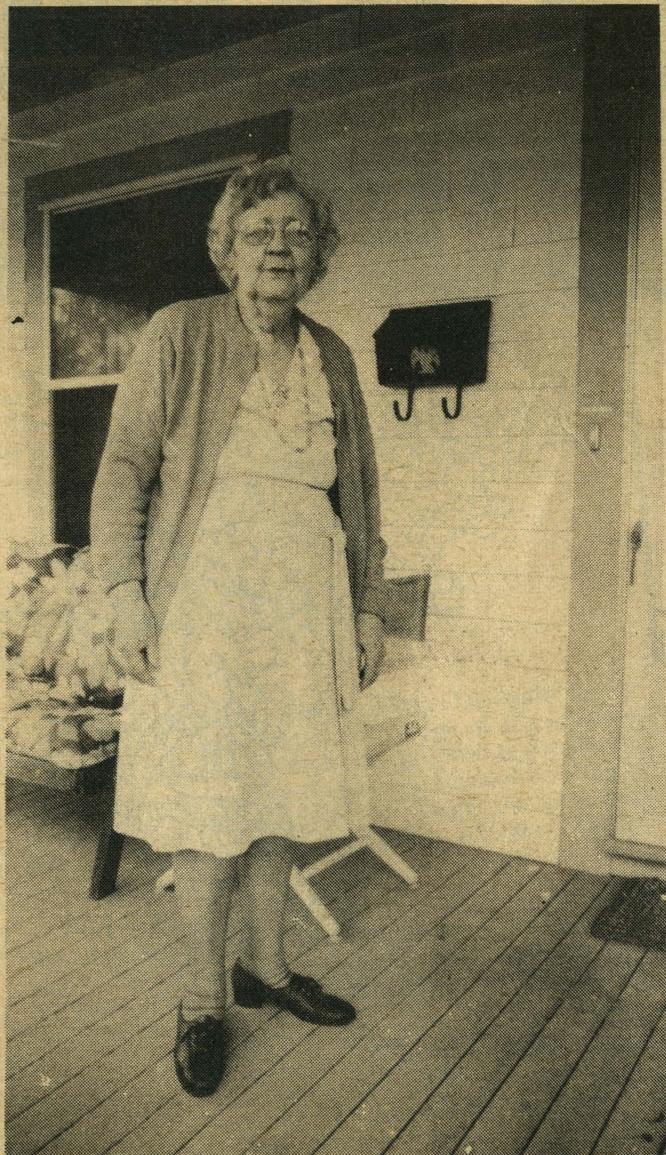
Over time, repeat visitors and referrals account for the majority of the guest house trade. Schoolman estimates that only five percent of his guests have never stayed at Land's End or heard of it from friends.

Income considerations aside, guest house owners enjoy a lot of satisfaction with the business.

"Every year, my children beg me not to put the sign up again," said Cabral. "And, I didn't at first this year. But, people started coming by again, and I just couldn't resist it. I love it."

Babbitt agreed. "It's wonderful to entertain in your own

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Christina Cabral, landlady

FIRST CLASS ACCOMMODATIONS

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home and get paid for it. You get to meet interesting people from all over the world who have respect for what you've tried to do with your house."

"It's important to me, as a business person, to sell something with good karma," said Brook. "That's why I could never run a bar. I like providing something that's appreciated at a good price."

Staying in a guest house is an integral part of vacationing in Provincetown, Babbitt said.

"There aren't many places you can go for vacation where you feel like you're a guest in someone's house, welcome to have a cup of coffee in the morning and a drink in the evening with your host, and get good advice on where to go for dinner," he said.

Harding at the Greenhouse agreed. "People who work 50 weeks out of the year want to vacation somewhere they feel comfortable, where they feel at home."

"A guest house atmosphere allows people who know no one here to meet people in a comfortable atmosphere," said Robertson.

Most innkeepers think there is plenty of potential for further growth in the guest house sector of the economy. Robertson and his partners have continued to expand the Haven House since they bought the original building at 12 Carver St. in 1976. In 1978, they bought the house next door from Arthur Roderick, giving them a total of 24 units, and later added a pool.

"Provincetown may have had a temporary setback over the last several years," said Schoolman, "but this is getting to be more and more of a year-round resort community. There are probably only 20 days out of the year that we're empty."

Babbitt added that as long as Provincetown room rates are kept reasonable and larger properties are taken out of the market for time sharing or condominium conversion, "there's a great market for future expansion. And, the town benefits from this trend, too.

"The oldest historical properties in town are being kept up nicely," he said, pointing out that the Rose and Crown was built in 1797. "Guest houses are the best-kept properties in town."