



Dear Prospective Buyer,

I've been asked about potential growth opportunities that I see for Rachael's Dowry. I believe that this is the perfect time to catch the front of Baltimore's resurgence, and that fresh energy, social media skills and additional staffing options can definitely make this place into a destination.

I bought Rachael's because I saw 6 distinct target markets for our business. In order of size they were the convention market (long stays, returnees), sports fans, traveling business people, the Hospitals/Universities, Baltimore Tourism, and theater/restaurant goers. I've since seen that there's a solid market for locals as well (staycations & wedding nights), and for people either traveling up I-95 or here for the cruise ships.

There's no reason Rachael's can't be a viral sensation if someone knows how to do that (I don't...). So, following are some significant areas of growth that I see for a new owner going forward. I'm happy to sit with the new owners and discuss this at length since I'd love to see this place become extremely successful!

1. Rising Seas Lift All Ships:

We've had significant continuous growth every year since the start of the pandemic, and April/May is looking to set some new highs for overall revenue and occupancy. April's revenue was almost double 2024 with occupancy at 68%, and May is looking even stronger. All of this to say that the first significant growth opportunity is the sheer natural growth in tourism Baltimore will see this year. It's seen as one of the resurgence cities, and there is a ton of money flowing into developing Baltimore right now. Our crime is down exponentially (pre-2012 numbers – we're not even in the top 25 crime cities anymore!), the city is increasing its marketing, and many magazines/influencers are saying Baltimore is a top destination for 2025.

2. Social Media and Online Channels

I believe the social media angle for marketing has seriously held me back. I don't understand it, and have been unsuccessful with people I've paid to help me with it. We have done great blogging, but are sincerely lacking with our Facebook, Instagram and Pinterest efforts. I haven't tried X and Tik Tok, but believe someone that knows how to use them has a great story to tell here.

For my own personal reasons I have chosen to stop working with Expedia and AirBnB, but I have seen good success – especially in international markets – with Booking.com. Again, more bookings will result from using these Online Travel Agents (OTAs), but be prepared for significantly higher cancellation rates to come through those sources as well.

3. Business Referrals and Local Marketing

Pre-pandemic I had great relationships with the University of Maryland president's secretary and the HR department. Those led to several high tier bookings and business meetings. Personnel have changed, so I've not seen that post-pandemic. That's a real growth opportunity, as many of the traveling doctors/nurses, repeat patients and residency interviewees came through that source.

With people working remotely, I've seen a dramatic drop in the business travelers. State employees and downtown businesses are returning to the office, so the business traveler market will rebound soon. This will require relationships with the downtown businesses through the economic development associations. Huge opportunities.

Historically I have chosen not to market to people who are already in Baltimore, so I've shied away from the Visitor's Center and advertising in Baltimore magazines. Recently though, I learned that 75% of overnight visitors to Baltimore are repeat visitors, so I've changed that tactic and it's showing returns. Lots more to discuss on this point!

4. Conventions and the Business Traveler

As mentioned, business travelers have been slow to rebound, but I'm beginning to see some of it back as people return to their offices. These sources are superb because they mean several weeknights in a row, low maintenance guests, and for business travelers, many repeat visits. The business traveler and traveling nurses are great markets for the studio apartment. Business guys have rented it full time but only stay weekdays, and the traveling nurses/doctors come in for 6-10 weeks at a time. They refer each other as well, so marketing is minimal.

Conventions is a little trickier. Until they get back to pre-pandemic attendee numbers we'll struggle to get past the "hotel block" requirements that the organizers have. We have regular annual convention-goers who book next year before they leave, and I'm starting to see some new business again from this market. I can talk you through some of the ways to beat the big-brands in this market, but it does take effort.

5. Sports Fans

This is a no-brainer being so close to the stadiums. We've got most of our regulars in this group with the season ticket holders. We're always a split house – half local fans, half other team fans, but we have over 50% repeat guests on any given game day. Google maps and Orioles marketing are the biggest sources for this market. I think there's room for improvement particularly with relationships to the teams' head offices. With \$1.2b going into those two stadiums, and the new ownership of the Orioles, there is lots of additional potential here. I recently heard about Facebook groups for people trying to see all of the baseball stadiums – a great source to exploit!!

6. Weddings/Business Meetings/Events

Again, pre-pandemic I had a good little business developing with high teas, elopement weddings (we have a lot of people get engaged at Rachael's who want to be married here!), bridal/baby showers, and business meetings. Post-pandemic I don't have the staff or energy to pursue these options, but am happy to share all of my do's and don'ts if you'd like to reinstitute these kinds of events. We've also rented the property for filming and documentaries, book signings, and even had some great discussions for a TV series that unfortunately COVID crushed.

We also are part of Doors Open Baltimore in October and the Baltimore Heritage history tours – both great marketing tools to introduce Rachael's to other Baltimoreans.

I could go on, and am happy to discuss what has and hasn't worked for me in the past. A new owner will add their own spin to the Rachael's story, so I'm sure you'll find many more new opportunities for growth as well.

Feel free to ask any additional questions if you'd like, and I'll look forward to having more of this type of discussion with the new owners!

All the best,



Linda K Smith

Owner, Rachael's Dowry Bed and Breakfast