

Bali Property Investment Guide 2026

How to Buy. Where to Invest. How to Protect Your Capital.

Futureland Property Group · October 2026 edition · For Australian and international investors

Invest with clarity. Acquire with confidence.

Cover · An ocean-view villa on the Uluwatu clifftop

The right asset, structure and price matter more than the island

Bali is an established international tourism destination with sustained demand for private villas and boutique stays. That demand is real, but it does not make every property a sound investment.

The island now supports wellness, lifestyle and hospitality markets across both established and emerging locations. Investors pursue rental income, development margin and personal use, often in combination, and each strategy asks something different of the land, the building and the legal structure behind it.

OUR PERSPECTIVE

The opportunity is acquiring the right asset, under the right legal structure, at the right price.

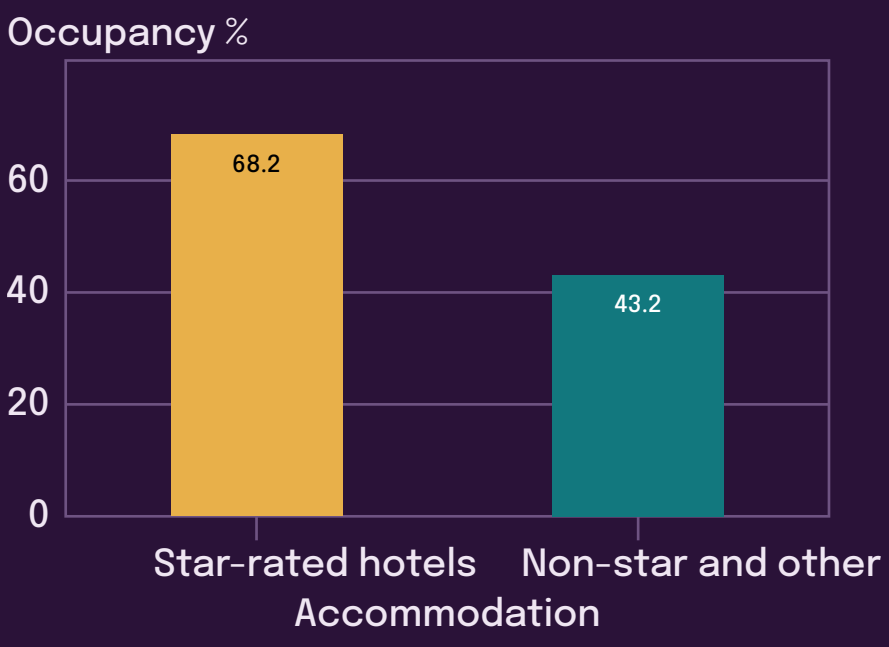


Figure 1 · A private villa courtyard, the core asset of Bali's short-stay market

Tourism demand is substantial, but it is not villa occupancy

6.95M	685,994	23.51%
international arrivals in 2025, up 9.7% on 2024	international arrivals in August 2026	of August arrivals held Australian passports

Arrivals measure visitors to the island, not the performance of any particular villa. In August 2026, star-rated hotels ran at 68.19% occupancy while non-star and other accommodation, the category nearest to private villas, ran at 43.16%.



Star-rated hotels run far fuller than other accommodation. These are broad accommodation statistics, not verified private-villa results.

Figure 2 · August 2026 occupancy by accommodation type. Source: BPS Bali; Bali Hotels Association

The market now rewards selectivity over expansion

As supply grows, the properties that perform share five traits: strong locations, professional management, full compliance, differentiated design and realistic assumptions. A villa lacking these competes on price alone.

Horwath HTL and C9 Hotelworks (March 2026) found hospitality-managed residential supply concentrated in a few areas, led by Canggu and Berawa. These figures describe development inventory, not capital appreciation.

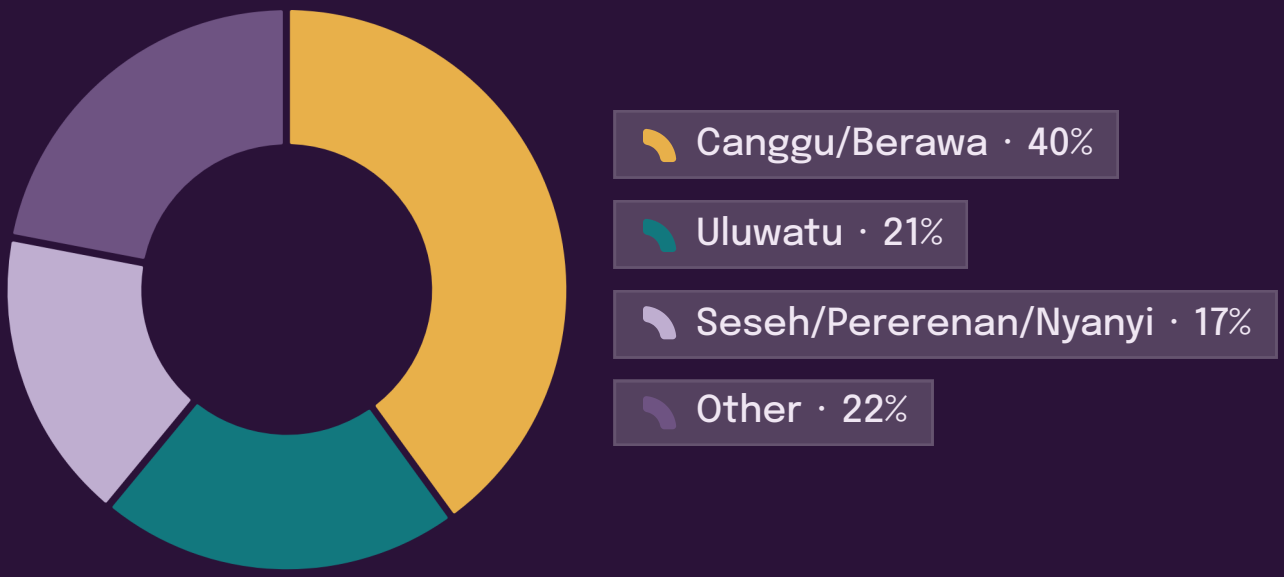


Figure 3 · Share of managed residential supply by area. Source: Horwath HTL / C9 Hotelworks, March 2026

TAKEAWAY

Heavy development creates both opportunity and competition.

Six ways to invest in Bali property

Each route carries a distinct risk profile and different legal requirements. Choose the route before the property.

01 Completed villas

Immediate use and possibly a rental history. Verify permits and actual income, not marketed figures.

02 Off-plan villas

Staged payments, with completion, developer and licensing risk carried by the buyer.

03 Land and custom developments

Control over design, subject to zoning and approvals before anything is built.

04 Branded residences

Professionally operated, though agreements and ownership structures vary widely.

05 Boutique hospitality and wellness

Hotel-style or retreat assets that require commercial approvals.

06 Development joint ventures

Shared projects that need documented Indonesian legal and investment structures.

Start with what the property must achieve

A clear objective narrows the field quickly. The same villa can be a strong lifestyle asset and a weak rental investment.

STRATEGY	SUITABLE ASSET	OBJECTIVE
Rental income	Completed compliant villa	Operating cash flow
Capital growth	Well-located property or development	Long-term value
Lifestyle	Private villa	Personal use plus income
Development profit	Land and construction	Margin
Managed exposure	Branded residence	Professional operation

Table 1 · Matching strategy to asset and objective

What decides the fit

Capital, ownership eligibility, cash-flow needs, risk tolerance and holding period. Not all villas are appropriate rental investments.

Established markets: Canggu, Berawa, Seminyak and Umalas

These are Bali's deepest villa markets, with proven guest demand and mature amenities. Depth cuts both ways: buyers pay for it, and competitors share it.

Canggu and Berawa

A mature lifestyle hub and large rental market. Expect high competition, traffic, land costs and rising supply.

Seminyak and Umalas

Mature amenities with holiday and longer-stay demand. Premium pricing and older stock that must be differentiated.



Figure 4 · Villas and rice fields side by side in Canggu. Established demand does not guarantee strong net returns.

South Bali's premium villa corridor

Uluwatu, Bingin, Balangan, Pecatu and parts of Ungasan draw guests for beach, surf and premium architectural pool villas. The landscape that sells these villas also complicates building them.

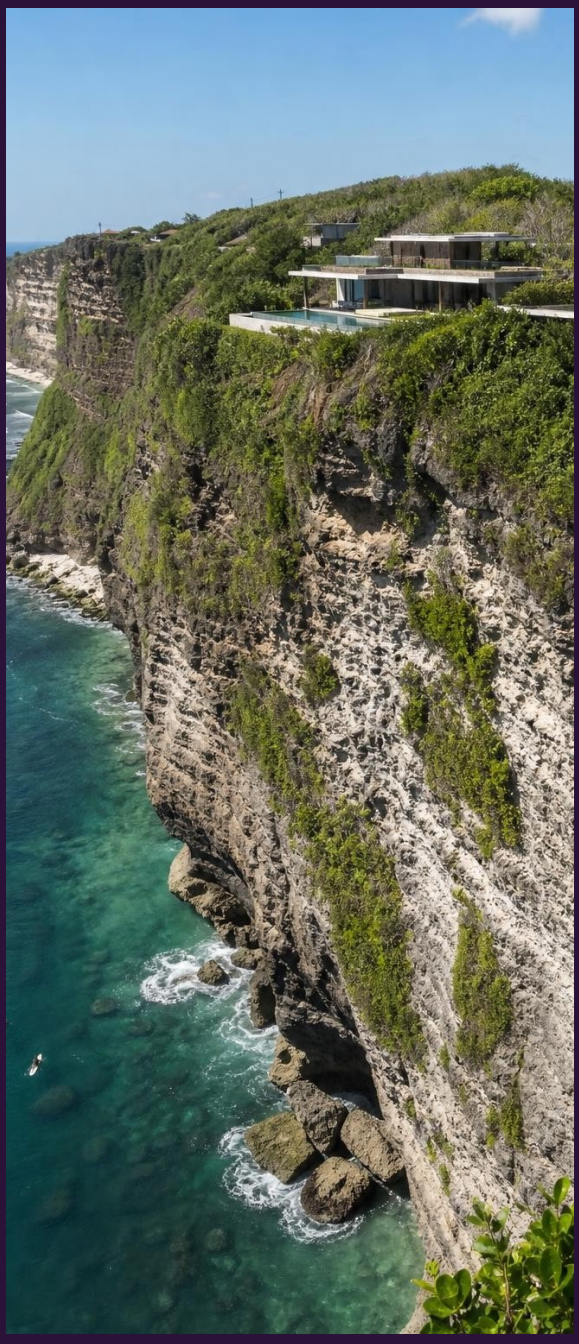


Figure 5 · Clifftop villas above the Uluwatu surf

Due diligence on the coast

- Coastal and cliff setbacks
- Legal road access
- Land stability
- Water supply
- Zoning and approvals
- Rental competition

FUTURELAND PERSPECTIVE

Quality, approvals and micro-location matter more than proximity to a famous beach.

Sanur and Ubud serve different guests

Different demographics need different designs, locations and management. A property built for one guest rarely suits the other.



Figure 6 · Sanur's coast

Sanur

A mature coastal market for families and longer stays. The health-tourism Special Economic Zone and Bali International Hospital are catalysts for new demand.



Figure 7 · Ubud's jungle valleys

Ubud

Wellness, nature, retreats and creative tourism. Distinctive villas and longer-stay options perform best here.

The western corridor is expanding beyond Canggu



Figure 8 · The coastline west of Canggu

Pererenan

The premium extension of Canggu.

Seseh and Cemagi

Quieter coastal boutique development.

Nyanyi and Kedungu

Emerging, with less proven rental depth.

Nuanu Creative City's 44-hectare project opened its first phase in 2025, drawing attention to coastal Tabanan.

> More investment activity does not guarantee price appreciation.



LOCATIONS · EMERGING

Emerging markets need higher hurdles

North Ubud and Payangan · wellness retreats and longer stays

Sidemen and East Bali · experience-driven boutique hospitality; uneven infrastructure

Amed · diving and niche tourism, limited accommodation market

Lovina and North Bali · thinner transactions, weaker rental evidence

Use conservative feasibility and strong exit plans. Never underwrite on unapproved roads or airports.

Figure 9 · Rice terraces in the Sidemen valley, East Bali

Location scorecard: profile and principal risk

Every area has a principal risk an investor must price in. These are qualitative assessments, not measured returns.

AREA	PROFILE	PRINCIPAL RISK
Canggu/Berawa	Mature lifestyle hub	Competition and pricing
Seminyak/Umalas	Established residential/hospitality	Acquisition cost
Uluwatu/Balangan	Premium coastal villas	Planning and infrastructure
Sanur	Established lifestyle	Stock selection
Ubud	Wellness and culture	Property-specific demand
Seseh/Nyanyi/Kedungu	Expansion corridor	Emerging-market uncertainty
East/North Bali	Early-stage	Liquidity and demand depth

Table 2 · Location scorecard, south to north

Look below the suburb

Assess the street, access, permitted use, competitors and guest market, not just the suburb name.

An eight-step acquisition framework

Order matters. Structure and feasibility come before sourcing commitments, and licences come before guests.

01 Define your mandate

Budget, locations, returns, holding period and use.

02 Select a legal structure

Lease, qualifying personal right or Indonesian company.

03 Source and compare

Completed, off-plan and land opportunities side by side.

04 Test feasibility

Total cost, income, expenses and exit.

05 Independent due diligence

Legal, title, notarial and technical professionals.

06 Negotiate conditional terms

Conditions that protect the buyer until checks clear.

07 Execute and register

Through authorised professionals only.

08 Complete before guests

Licences, taxes, insurance and management in place.

Indonesian property rights are not interchangeable

Each title grants different powers to different holders. The name on a listing is not proof of the right you would acquire.



Hak Milik (SHM)

Freehold for eligible Indonesians; not available to foreign individuals.



Hak Sewa

Contractual leasehold for a set period.



Hak Guna Bangunan (HGB)

Statutory right to build, holdable by eligible entities including PT PMAs.



Hak Pakai

Right of use, including specified residential rights for eligible foreigners.



Strata rights

Depend on unit title, underlying land and eligibility.



Verify the registered title

Not the advertisement's description.

LEGAL · LEASEHOLD

Leasehold: know exactly what you are buying

Bali villa leases are often around 25–35 years, though terms vary. The lease document, not the sales brochure, defines what you own and for how long.

Check every lease for

- Start and end dates
- Landowner authority
- Assignment and sublease rights
- Permission for short-stay use
- Ownership of improvements
- Extension terms
- Succession and expiry

A 30-year lease plus a proposed 30-year extension is not automatically a guaranteed 60 years.



Foreign individuals cannot hold Bali freehold

Hak Milik, corporate HGB, foreign Hak Pakai and leasehold are distinct rights. None of them converts into another through clever structuring.



Distinct rights

Each right has its own holder eligibility, term and registration.



Shares are not title

Owning shares in an Indonesian company does not turn HGB or a lease into Hak Milik.



No nominees

Nominee arrangements are not a lawful substitute for eligible ownership.

REGULATION

Bali Regional Regulation No. 4 of 2026 addresses nominee transfers and productive agricultural land.

Match the company, land right and licence to the deal

A structure must cover the entity, the land and the activity together. A gap in any one undermines the others.

PT PMA

A foreign investment company for eligible activities. It is not automatic authority for every land type or accommodation category.

PT PMDN

A domestic company. It must never be used as a nominee vehicle.

Licensed operator

May manage accommodation when its licences cover the premises and the activity.

Advisers

An Indonesian lawyer, notary/PPAT, accountant and property manager.

A PT PMA is not a cheap villa workaround

Investment Ministry Regulation No. 5 of 2025 sets capital thresholds that make a foreign company a serious commitment, not a shortcut to land.

IDR 2.5bn

general minimum paid-up capital per company

IDR 10bn+

general minimum total investment per five-digit business classification and location

Special rules govern how land and buildings count toward investment, and paid-up capital and total investment are separate concepts. Meeting one does not satisfy the other.

Before you incorporate

Get written Indonesian legal advice before establishing the structure.

Twelve legal checks before you commit

01 Verify the land certificate with BPN	02 Confirm seller identity and authority
03 Check mortgages, litigation, competing claims	04 Survey land and boundaries
05 Confirm RTRW/RDTR zoning	06 Verify land-use compatibility and KKPR
07 Confirm PBG approval and permitted use	08 Verify SLF status
09 Check agricultural and environmental restrictions	10 Confirm access, utilities, water, drainage
11 Verify developer and contractor registrations	12 Review purchase, lease, assignment and rental rights

Brochures, agents and neighbouring villas are not evidence of compliance.

Off-plan: verify before you pay a deposit



Figure 10 · Inspect progress on site before each stage payment

Land and approvals · land control, approvals, approved plans and specifications

Construction · builder credentials, budget, programme and independent inspections

Contract protections · stage-payment verification, handover, delay remedies, defects and warranties

Lease time · how many years remain at completion

Payments should follow verifiable milestones, not the developer's cash-flow schedule.

SHORT-STAY RENTAL

Airbnb is allowed, if the villa is legally operated

There is no blanket ban, but the Ministry of Tourism has intensified oversight of unlicensed accommodation.

Legal operation may require

- The correct entity and NIB
- KBLI classification
- Premises licences
- Permitted land use
- Building approvals and SLF
- Regional tax registration
- Guest records and safety

Owning or leasing a villa does not entitle you to short-stay use. Non-compliance risks enforcement or delisting.



The right KBLI code decides what you can operate

Indonesia's business classification codes define which accommodation activities an entity may run. KBLI 2025 renumbers the codes used under KBLI 2020.

ACTIVITY	KBLI 2020	KBLI 2025
Villa Accommodation	55193	**55203**
Pondok Wisata / Homestay	55130	**55201**

Table 3 · Accommodation code mapping. Sources: OSS; Ministry of Tourism; Airbnb Indonesia

Eligibility differs

Foreign eligibility differs by code; some small-scale accommodation is restricted for PT PMAs.

Ask for proof

A manager's generic registration is not proof your villa can take short stays.

A rental villa is an operating business

01 Legal operations

Licences, tax, guest reporting, safety

02 Distribution

Airbnb, Booking.com and permitted channels

03 Revenue management

Seasonal pricing, occupancy, minimum stays

04 Guest experience

Housekeeping, maintenance, support

05 Financial reporting

Transparent statements and distributions

06 Asset management

Insurance, maintenance, replacement budgets

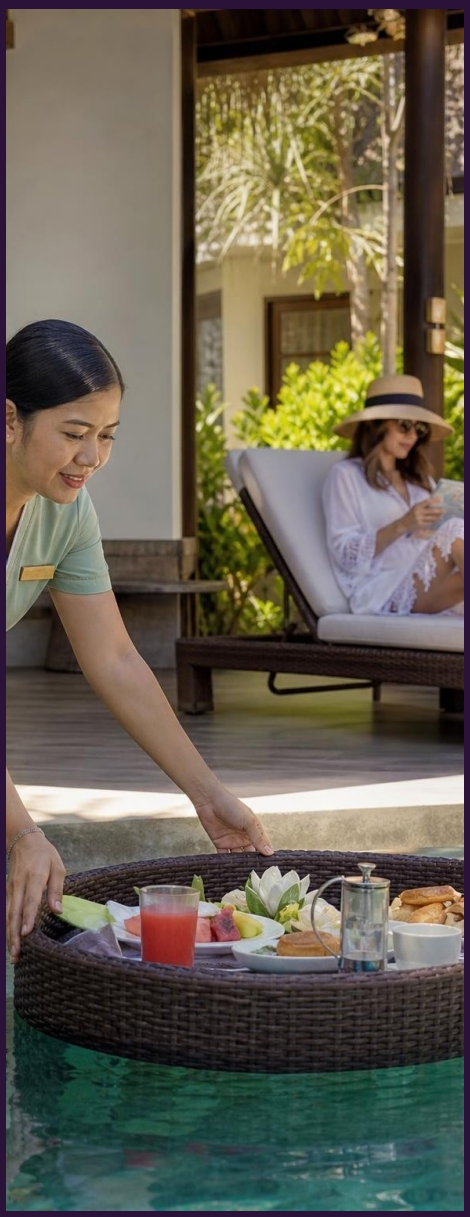


Figure 11 · Guest experience is daily operational work

Vet managers on licences, experience, fees, authority, insurance, tax, reporting and termination.

Illustrative model: net returns, not gross yields

Illustrative figures only, not market averages or Futureland project returns. The model assumes an A$400,000 investment, an A$230 average nightly rate, and expenses and maintenance reserve at 50% of revenue.

Return on A$400k

Conservative

4.7%

Base

5.8%

Optimistic

6.8%

SCENARIO	OCCUPANCY	GROSS REVENUE	OPERATING SURPLUS	RETURN ON A$400K
Conservative	45%	A$37,778	A$18,889	4.7%
Base	55%	A$46,173	A$23,086	5.8%
Optimistic	65%	A$54,568	A$27,284	6.8%

Table 4 · Illustrative scenarios

What these figures exclude

Financing, income tax, lease amortisation, resale costs and unpassed taxes. Never rely on gross yields alone.

Count the true cost, on both sides of the border

An Australian investor in Bali carries obligations in two tax systems. Both belong in the feasibility model from day one.



Indonesia

- Transfer taxes
- Notarial and legal fees
- Company formation and administration
- Income and withholding tax
- PBJT and VAT
- Management and platform fees
- Compliance costs
- Currency costs



Australia

- Residents generally disclose overseas rental income
- Consider capital gains tax
- Foreign income tax offsets
- Foreign company interests

Engage an Indonesian tax adviser and a cross-border Australian accountant before buying.

Ten red flags to walk away from

Any one of these is reason to pause.

01 Guaranteed returns without evidence	02 Unverifiable titles or landowner authority
03 Nominee deals sold as foreign freehold	04 "Airbnb-ready" without licences
05 Green-zone land promoted for development	06 Lease extensions marketed as guaranteed
07 Large off-plan deposits without protections	08 Projections ignoring management, tax, maintenance
09 Reliance on future infrastructure announcements	10 No independent legal advice or exit strategy

Two or more is reason to walk away.

How Futureland Property Group helps

01 **Investment strategy**

Objectives, budget and ownership options

02 **Property sourcing**

Villas, sites and opportunities

03 **Feasibility**

Cost, rental assumptions and risk

04 **Due diligence coordination**

With Indonesian professionals

05 **Acquisition**

Negotiation and transaction coordination

06 **Handover**

Management and operating setup



Figure 12 · Site inspection during feasibility

Property selection comes after strategy, legal eligibility and financial assessment.



NEXT STEP

Invest in Bali with confidence

Book a confidential Bali property investment strategy consultation.

Futureland Property Group

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Property Acquisition | Investment Advisory | Development Strategy

References

BPS Statistics Indonesia; Bali Hotels Association; Horwath HTL / C9 Hotelworks 2026; Ministry of Tourism; OSS KBLI; Government Regulation No. 18 of 2021; Investment Ministry Regulation No. 5 of 2025; Bali Regional Regulation No. 4 of 2026; Airbnb; Australian Taxation Office.

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