

MASON

THE MASON GUIDE · EDITION ONE · BALI 2026

Bali Investment 101

EVERYTHING WE TELL OUR CLIENTS BEFORE THEY SIGN

35 PAGES · REAL NUMBERS · NO FLUFF

WELCOME · WHY THIS EXISTS

Most buyers learn Bali the expensive way.

They sign before they understand leasehold. They build without a QS. They rent without a Pondok Wisata. They miss a tax deadline. Each mistake is recoverable on its own. Stacked together, they kill deals.

This guide is the brief we give our clients on the first call. Thirty-five pages on how Bali property actually works in 2026 — the structures, the numbers, the zones, the legal stack, and what happens after you get the keys.

We sell villas for a living, so yes — at the end we'd like to work with you. But the guide is the guide. Nothing in here is different from what we'd say over a coffee in Canggu.

WHO THIS IS FOR

First-time Bali buyers. Second-deal investors. Expats mapping their long-game. Anyone who's tired of "DM us for info" and wants the numbers in writing.

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CHAPTER ONE

The Market.

WHY BALI · WHO'S BUYING · THE NUMBERS THAT MATTER

A yield market inside a lifestyle market.

Most tropical property markets are one or the other. Bali is both. That's the whole thesis.

You can buy a villa in Canggu at a price point that still pencils on rental yield alone — and hold an asset in a place people actually want to live. That combination — cash-flow plus lifestyle plus long-term appreciation — is structurally rare. It's why the island draws capital from Singapore, Jakarta, Sydney, Dubai, and increasingly Europe and the US.

The last three years have compressed what used to be a five-year story. Tourism is past pre-COVID numbers. Remote-work residency is codified. Short-term rental yields in the hot zones are still clearing 12–18% net on leasehold. Airport expansion in the north is breaking ground. A second international airport is moving from rumour to permit.



Four numbers that price the deal.

Ignore the brochure. These are the figures that determine whether a Bali villa earns or bleeds.

\$280 – 400k

3-BED LEASEHOLD · CANGGU

12 – 18%

NET YIELD · LEASEHOLD

70 – 85%

OCCUPANCY · HOT ZONES

10%

RENTAL TAX · FINAL

READ CAREFULLY

2026 market ranges for Canggu, Uluwatu, Ubud. Zones move these numbers $\pm 20\%$. Sub-zones move them further. Always confirm per-deal before signing – we unpack zone-by-zone in Chapter 4.

The yield gap between leasehold and freehold is the single biggest reason professional investors lean leasehold – same rental income, roughly half the capital, double the yield percentage. We unpack the full case in Chapter 2.

Four buyer types drive the market.

Knowing which one you are — and which one the seller you're buying from was — tells you more about the deal than the price tag.

01 The Yield Investor · ~40% of serious buyers

Singaporean, Jakartan, Australian. Never sleeps in the villa. Buys 25-year leasehold, prime Canggu, day-one Airbnb. Exit at year 5–7 via lease assignment. Playbook-driven.

02 The Lifestyle Owner · ~30%

European, American, Russian. Moving to Bali part- or full-time. Buys long leasehold or Hak Pakai freehold. Rental is a nice-to-have, not the thesis. Usually buys in Uluwatu, Ubud, or quieter Canggu sub-zones.

03 The Developer-Investor · ~20%

Often second or third deal. Buys land, builds, sells or holds. Captures the 20–35% developer margin. Needs local partner, on-island time, patience for 14–18 months of build.

04 The Diversifier · ~10%

Already owns property in their home market. Parking capital offshore in a dollar-denominated asset. Less sensitive on yield, more sensitive on clean structure and exit. Usually PT PMA + HGB.

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CHAPTER TWO

Ownership Structures.

LEASEHOLD · FREEHOLD · HOW FOREIGNERS ACTUALLY HOLD TITLE

Leasehold is how 99% of foreigners own in Bali.

And the smart ones prefer it. Cheaper entry, better yield, cleaner exit — the case nobody makes.

Leasehold (Hak Sewa) is a registered, notary-backed contract giving you exclusive use of a plot and building for a fixed term — typically 25 or 30 years — with a contractually guaranteed extension option. You don't own the underlying land, but you own the lease, which is fully transferable, extendable, and enforceable in court.

LEASEHOLD · 25 YRS · ALL-IN

\$280 – 400k

Completed 3-bed villa · Canggu / Uluwatu · furnished

FREEHOLD · SAME VILLA

\$550 – 900k

Via Hak Pakai or PMA · land price dominates

META-POINT

Every "leasehold risk" is actually a contract-drafting problem. Solve it on paper at signing — extension clause, PPAT registration, SHM title verification. Every Mason deal includes all three.

Freehold costs more. It also lasts forever.

Foreigners can't hold **Hak Milik** (pure Indonesian freehold). But two legal structures give you the functional equivalent of permanent ownership: **Hak Pakai** (Right to Use, 30+30+20 yrs, renewable) for individuals holding a KITAS, and **PT PMA + HGB** (foreign company holding a Right to Build title) for corporate or portfolio holders.

Both structures are legal, both are common among serious investors, and both come with setup and maintenance costs leasehold doesn't have. PMA setup runs USD 2–5k with a monthly compliance overhead. Hak Pakai requires your KITAS to stay current.

HAK PAKAI · INDIVIDUAL

30 + 30 + 20

Renewable years via KITAS holder. Cleanest path for a single villa + residency.

PT PMA + HGB · CORPORATE

Perpetual

Foreign-owned company holding the title. Best for multi-villa portfolios or rental business.

RULE OF THUMB

If the villa is a chapter, not an heirloom — leasehold. If you want perpetuity and are comfortable with the compliance overhead — freehold.

Same villa. Two vehicles.

	Leasehold	Freehold
ENTRY PRICE · 3-BED VILLA	\$280k – \$400k	\$550k – \$900k
TIME TO CLOSE	Days – 2 weeks	4 – 8 weeks
SETUP COMPLEXITY	Notary + lease	PMA setup or HP application
RENTAL TAX	10% final · on gross	10% personal or 22% corporate
NET YIELD · CANGGU / ULUWATU	12 – 18%	6 – 10%
EXIT PATH	Assign remaining lease	Sell title or company shares
BPHTB ON EXIT	None on assignment	5% on buyer
FIXED-TERM RISK	Yes · solvable w/ extension clause	None · perpetual

Both legal, both ours. Leasehold wins on yield and flexibility. Freehold wins on permanence.

"But what if..."

Every buyer voices the same four fears about leasehold. Here are the honest answers.

01 "I lose everything when the lease ends"

Not if your contract includes an **extension clause**. Standard in modern leases. Renew at 25/30-year mark, priced at signing.

02 "I can't sell halfway through"

You can — at any time. Buyer inherits the **remaining lease term**. Price adjusts for time left. Mason closes these every month.

03 "The value depreciates every year"

Depends on zone supply and extension rights. In hot zones, **rental yield outpaces depreciation 3×**. You've paid it back long before expiry.

04 "The landowner can mess with me"

Not if the lease is properly drafted and **registered at the notary (PPAT)**. A signed-and-registered lease is enforceable in Indonesian court.

META-POINT

Every "leasehold risk" is actually a contract-drafting problem. Solve it on paper.

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CHAPTER THREE

Buy or Build?

THE \$400K QUESTION · TURNKEY VILLA OR PLOT OF LAND

Buy turnkey.

Keys in 30–60 days. Pay the premium. Skip the pain. Cash-flowing from week one.



ALL-IN · 200 SQM 3-BED

\$420 – 550k

Completed Canggu / Uluwatu · furnished · licenced

TIME TO KEYS

30 – 60d

Rental live in weeks, not months

Buy if: you need cash-flow from month one, you're not in Bali full-time, you want a predictable total cost, or you're buying to hold and rent rather than to shape.

RULE OF THUMB

Time-poor, remote, first deal → buy. Every time.

Build from land.

14–18 months of project management. Lower \$/sqm. Full creative control. Higher risk.



ALL-IN · 200 SQM 3-BED

\$310 – 420k

Land ~\$150k + build ~\$160–250k + permits · FF&E · contingency

DEVELOPER MARGIN · SKIPPED

20 – 35%

The premium you pocket if you deliver on budget

Build if: you want the developer margin in your pocket, you have (or are) a trusted local partner, you want a specific product nobody's built, and you can comfortably wait 14–18 months while holding a 10–15% contingency.

RULE OF THUMB

Local, patient, creative, second deal → build. The margin is real.

Same 3-bed. Two ways to get there.

	Buy Turnkey	Build from Land
ALL-IN COST · 200 SQM	\$420k – \$550k	\$310k – \$420k
TIME TO KEYS	30 – 60 days	14 – 18 months
TIME TO FIRST RENTAL \$	Weeks	~15 months
CUSTOMISATION	What's built is what you get	Every detail, yours
COST CERTAINTY	One number · locked	+10–15% contingency, real
REQUIRES LOCAL PRESENCE	No	Yes — or a trusted PM
BUILT-IN EQUITY ON DELIVERY	None · you paid retail	20 – 35% · the margin you skipped
RISK PROFILE	Low · legal diligence only	High · permits, contractor, FX

Both paths work. Neither is "better" — they solve different problems for different buyers.

Answer four. Get your path.

- 01 **Do you need rental income inside 6 months?**
Yes → **buy turnkey**. Keys, licence, listing — all live in weeks.
-
- 02 **Will you be in Bali — or have a trusted PM — every month of the build?**
No → **buy turnkey**. Remote owner-building without eyes on site is the #1 way deals blow up.
-
- 03 **Is custom design the point — unusual plot, specific spec, view-driven layout?**
Yes → **build from land**. Buy a plot, assemble the team, keep the developer margin.
-
- 04 **Can you comfortably hold 10–15% contingency and wait 14–18 months?**
If **not** → **buy**. Missing the patience or the reserve is the cleanest signal to take the turnkey path.
-

RULE OF THUMB

Default to turnkey on your first Bali deal. Build becomes sensible on deal two, once you know the zones, the contractors, and what "on-site once a week" actually requires.

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CHAPTER FOUR

The Zones.

SEVEN ZONES · SEVEN THESIS · WHERE THE MONEY GOES

Canggu — where yield lives.

The highest-occupancy, highest-yield, highest-liquidity zone on the island. Also the most congested.

Canggu is the default play for rental-first investors. Restaurants, coworking, gyms, surf, and a saturated short-stay market all within scooter range. Sub-zones differ sharply: **Berawa** is premium-priced with easiest occupancy, **Pererenan** is the new centre with the fastest growth, **Echo Beach** is surfer-core and cheaper, **Tumbak Bayuh** is the quiet inland option for longer builds.



\$280 – 450k

LEASEHOLD 3-BED

14 – 18%

NET YIELD

78 – 85%

OCCUPANCY

Uluwatu — where design lives.

Cliff-front, ocean-view, lower density. The premium market. Longer stays, higher ADRs, more discerning guests.

The Bukit peninsula has quietly become Bali's luxury zone. Land is more constrained, zoning is tighter (watch the green zones), and the guest profile skews affluent and design-literate. Occupancy lags Canggu slightly, but average daily rates more than compensate — and capital appreciation on scarce cliff-front plots has outrun the rest of the island. Sub-zones: **Bingin, Padang Padang, Pecatu, Ungasan, Balangan.**



\$350 – 650k

LEASEHOLD 3-BED

10 – 14%

NET YIELD

68 – 78%

OCCUPANCY

Ubud — where long stays live.

Wellness capital of Asia. Longer average stays, higher repeat rates, quieter returns — but real returns.

Ubud has a different investor profile. Average length of stay is 2–3× Canggu. Guests book 2–4 weeks, not 2–4 nights. That changes the maintenance math, the management overhead, and the guest acquisition cost. Land is cheaper, builds are cheaper, but the yield-per-night is lower. The aggregate still pencils — particularly for wellness, yoga, and retreat-aligned product. Sub-zones: **central Ubud, Penestanan, Tegallalang, Payangan, Tampaksiring.**



\$220 – 380k

LEASEHOLD 3-BED

9 – 13%

NET YIELD

65 – 75%

OCCUPANCY

Seminyak — where polish lives.

Bali's mature premium zone. Established infrastructure, dense amenities, a well-worn guest funnel.

Seminyak was the hot zone before Canggu took the crown. Now it plays a different role — a mature, polished market where prices are higher, land is saturated, and new development is mostly renovation and redevelopment. Yields are compressed but stable. Occupancy is reliable because the restaurant, beach-club, and shopping ecosystem still pulls the affluent-couples crowd. If Canggu is 23-year-olds in a co-living, Seminyak is 35-year-olds in a hotel villa with a driver.

\$450 – 750k

LEASEHOLD 3-BED

9 – 12%

NET YIELD

72 – 80%

OCCUPANCY

OUR TAKE

Seminyak works for the mature-product buyer who values established brand, stable occupancy, and walkability over max yield. Not the zone for a first flip. Excellent for a long-hold lifestyle-plus-rental play.

Sanur — where families live.

Quiet, flat, family-friendly. Longer stays, older guests, higher repeat bookings. The anti-Canggu.

Sanur is the grown-up zone. Calm beach, shallow water, international school nearby, a strong expat community that actually lives here rather than weekends-in-from-Jakarta. Guest demographics skew older and stay longer — retirees, families, medical tourists using the BIMC hospital cluster. Yields are middle-of-the-pack, but occupancy is extremely stable and seasonality is milder than the surf coasts.

Recent developments: the new Sanur port (Bali's gateway to Nusa Penida / Lembongan) and the Sanur Special Economic Zone for health tourism have pushed prices up quietly. Still undervalued on a 5-year horizon.

\$300 – 500k

LEASEHOLD 3-BED

8 – 11%

NET YIELD

70 – 78%

OCCUPANCY

Nusa Dua — where resorts live.

Gated, manicured, corporate. Built around the five-star resort ecosystem and MICE conference traffic.

Nusa Dua is not for the yield-maxing Canggu buyer. It's for the investor who values regulatory certainty, international-grade infrastructure, and a guest profile that tips well and doesn't party. The zone is masterplanned — zoning is clean, roads are good, security is visible. Guest traffic is driven by hotel conferences, corporate retreats, and families who want beach without the scooter-noise of Canggu.

Appreciation has been steady rather than explosive. Yields compress further than Seminyak because land costs are high and nightly rates don't command the Canggu premium. Best zone for a long-hold, low-drama asset. Also holds value better than anywhere else in a downturn.

\$400 – 700k

LEASEHOLD 3-BED

7 – 10%

NET YIELD

72 – 82%

OCCUPANCY

Lombok & Nyanyi — the frontier.

Where Bali buyers go when Bali gets too expensive. Lower entry, longer horizon, bigger appreciation curve.

Nyanyi & Tabanan — the north-of-Canggu frontier, 15–25 minutes past Pererenan. Same south-coast surf, a quarter of the density. Land is 40–60% cheaper than Berawa. The play is appreciation over yield: buy now, let the Canggu spillover reach you in 3–5 years. Rental demand is already there but thinner than established zones.

Lombok — Mandalika, Kuta, Selong Belanak. Bali's cheaper, quieter neighbour. New international airport, MotoGP circuit, and government-designated tourism zone. Roughly 6–8 years behind Bali on the development curve. Higher risk, higher reward. Yields can hit Canggu-levels when a property is well-marketed, but occupancy averages lower and infrastructure gaps (water, power, internet) are real. Best for second-deal investors who can stomach volatility.



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CHAPTER FIVE

The Legal Stack.

TITLES · STRUCTURES · TAX · WHAT THE NOTARY WON'T EXPLAIN

Six terms, one page.

SHM **Sertifikat Hak Milik**

Indonesian freehold title. Only held by Indonesian citizens. Every leasehold deal starts with verifying the landowner's SHM. No SHM, no deal.

HGB **Hak Guna Bangunan**

Right to Build. Held by PT PMA (foreign company). 30 yrs, renewable. The most common corporate freehold vehicle.

HP **Hak Pakai**

Right to Use. Individual foreigner holding a KITAS. 30+30+20 yrs. Cleanest route to single-villa freehold-equivalent ownership.

PMA **Penanaman Modal Asing**

Foreign-invested limited company. USD ~2–5k setup. Required for commercial activity including rental business above personal scale.

IMB **Izin Mendirikan Bangunan (now PBG)**

Building permit. If a villa doesn't have one, it's legally a demolition risk. Retro-permitting is slow and uncertain.

PPAT **Notary · Land Deed Official**

Registers the leasehold or freehold transfer. A handshake lease is unenforceable. PPAT registration is non-negotiable.

Four things that kill a deal before it starts.

Before we list or buy a villa, we run every one through these four checks. Missing any of them, we walk.

01 Unclear title — SHM gaps, inheritance splits, missing deeds

If the seller can't produce a clean SHM in one name, stop. No exceptions. You are not an Indonesian court.

02 Wrong zoning — green, pink, or overlay conflicts

Pull the **RTRW zoning map** on every plot before signing. A great view on non-buildable land is a postcard.

03 Missing or invalid IMB / PBG (building permit)

A beautiful villa without a permit is a **demolition risk**. Retro-permitting is slow, expensive, and uncertain.

04 Secondary-market lease with less than 22 years left

These expire twice as fast as you expect. Unless the seller agrees to a **lease reset**, the math rarely works.

THE FILTER

For every villa we post on the grid, we reject five on the above. The reject rate is the product — it's why the listings that do make it are closeable.

Three taxes. Three deadlines.

Tax compliance in Bali has moved from optional to enforced. Budget around 12–14% of gross rental for all-in tax plus filing fees.

DUE · MONTHLY

10%

Rental Tax · flat, final. Filed monthly via e-Billing by the 15th of the following month.

DUE · 31 AUG

0.1–0.3%

PBB Land Tax · annual property tax. Bill (SPPT PBB) arrives in March, due August.

DUE · 31 MAR

SPT

Pajak Tahunan · annual return. Consolidates rental, salary, other income.

THE NUMBER TO REMEMBER

Budget ~12–14% of gross rental for all-in tax + filing fees. If your pro forma doesn't, redo the pro forma. Late payment compounds at ~2% per month, capped at 24 months. Audit penalties for under-reporting can reach 200% of unpaid tax.

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CHAPTER SIX

Post-Purchase.

YOU GOT THE KEYS · NOW WHAT ACTUALLY HAPPENS

The admin that ages badly.

Skip any of these and you'll spend six months unwinding them. The notary is still warm, the seller still responsive. Use that window.

01 Transfer utilities into your name (week 1)

PLN electricity, PAM water. Seller's name on the bill = seller's deposit, seller's outages. Requires a copy of the AJB / notary deed.

02 Register with the local banjar + RT/RW (week 1–2)

Every plot sits under a traditional council. Introduce yourself, pay the small annual contribution. It's how you avoid neighbour friction later.

03 Archive the notary bundle in 3 places (week 2)

AJB, leasehold deed, IMB/PBG, site plan, tax receipts. Physical copy, cloud copy, notary copy. Losing these costs years.

04 Install internet + fibre (week 2–3)

IndiHome, Biznet, or private. Lead times run 2–4 weeks. Non-negotiable if you're renting short-term. Guests don't forgive dead wifi.

05 Inventory handover + photo log (week 1)

Walk the villa with the seller. Photograph every appliance serial, every key, every defect. Signed inventory list protects you if something walks off.

THE 30-DAY RULE

Everything on this list is 5× easier before day 30. After that, the notary has moved on, the seller has cashed out. Front-load the admin.

If you want it to earn, you need four things.

You can't legally put the villa on Airbnb on day one. Short-term rental in Bali is permit-gated.

01 Pondok Wisata Licence

Short-term rental permit for 1–5 rooms. Applied at kabupaten level. 4–8 weeks, USD 500–1,500. **Tied to the operator, not the building — you cannot inherit the seller's.**

02 NPWP · Indonesian Tax Number

Yours or your PT PMA's. You can't file rental tax without it. 2 weeks, free, via local KPP tax office.

03 Indonesian Bank Account

For rental payouts, tax payments, utility direct debits. KITAS + NPWP usually required to open. Mandiri, BCA, BNI.

04 OTA Setup + Photography + Dynamic Pricing

Airbnb, Booking, Agoda. Professional photos drive 30–50% of occupancy. Dynamic pricing tools (PriceLabs etc.) pay for themselves in month one.

THE SHORTCUT THAT ISN'T

"I'll just rent under the seller's old Pondok Wisata" — no. Licences are tied to the operator, not the building. Operating without your own is an enforceable violation. Do it properly or don't rent short-term.

Tropics eat buildings. Budget accordingly.

TERMITE TREATMENT

\$150 – 300

Twice yearly. Skip a year, rebuild a roof beam.

POOL SERVICE

\$60 – 120/mo

Weekly. Re-plaster every 5–7 yrs.

AIRCON · QUARTERLY

\$8 – 15/unit

Salt + humidity = 3-yr compressor life unserviced.

STAFF · GARDENER + HOUSEKEEPER

\$250 – 450/mo

Plus THR bonus at Idul Fitri (1 month salary). Non-optional.

ALL-IN YEAR 1 OPEX

USD 6–10k per villa, before repairs. Plus 12–14% of gross rental for tax. If your pro forma ignores these, you're overstating net yield by 25%.

You sell easier if you started a file on closing day.

The best time to prepare for an exit is day one, not year four.

Keep a live folder from the day the notary signs. Five years of clean documentation = 10–15% higher exit price than a villa sold by someone whose records are a mess.

01 Financial file

Every rental tax filing. Every annual SPT. PBB receipts. Utility statements. Management company statements. Monthly P&L going back 60 months.

02 Legal file

Leasehold deed (or HGB/HP), SHM copy, IMB/PBG, extension clause. PMA company docs if applicable. Notary contact, all correspondence.

03 Operational file

Staff contracts, supplier agreements, every maintenance invoice with before/after photos, warranty cards, appliance serials.

04 Revenue file

OTA statements (Airbnb, Booking, Agoda), nightly rate history, occupancy by month, seasonality patterns, top guest reviews. This is what drives buyer price sensitivity.

THE PAPER TRAIL PREMIUM

Buyers pay a premium for a clean file — and discount hard for a messy one. Five years of receipts, deeds, and statements is the single highest-ROI habit in Bali property ownership.

You don't need seven people. You need one call.

Lawyer. Accountant. Notary. Villa manager. Tax consultant.
Insurance. Visa agent. Mason has the full stack in-house and on-
call — from handover day through your year-5 exit.

DM us "KEYS"

20-minute intake with Mason + our in-house architect, QS, and
legal partner. We run your numbers — turnkey vs build,
leasehold vs freehold — on a real villa in your target zone. No
upsell if the answer is don't buy yet.