

BUYING IN BALI · BEFORE YOU SIGN

7



# Hidden costs of buying in Bali.

**Swipe →** Find out everything they won't tell you.



# The setup

Bali rewards patience. The five things below are the minimum due-diligence layer between a beautiful render and a contract you can actually live with.



**If a developer rushes you →** it is already a red flag.





# Notary Fees

# 1%

Every legal transfer in Indonesia — freehold sale, HGB, or long-term lease — has to be executed by a licensed notary (PPAT). They draft the deed, verify IDs, check for liens, and register the transaction with the land office. Non-negotiable. Non-skippable. Usually 1% of transaction value, sometimes split 50/50 with the seller if you negotiate well. On \$500K → ~\$5,000



#### WHAT TO CHECK

**Ask for the notary's name early. A good one catches problems before they cost you.**





# The buyers transfer tax

# 5%

The buyer's transfer tax (Bea Perolehan Hak atas Tanah dan Bangunan). Triggered on freehold and long-lease acquisitions above the regional NJOP threshold. Paid at signing. No payment, no deed registration, no legal title. On \$500K → \$25,000

## WHAT TO KEEP IN MIND

**This is the single biggest line item most buyers don't see coming. Build it into your offer, not your regrets.**





# Income tax on the property sale.

## 2.5%

Technically the seller's obligation under Indonesian tax law. In practice? In 9 out of 10 Bali deals, it gets quietly shifted onto the buyer during negotiation — especially when the seller is offshore. On \$500K → \$12,500

NON-NEGOTIABLE

**Read the PPJB carefully. The phrase "nett to seller" means you're paying this.**





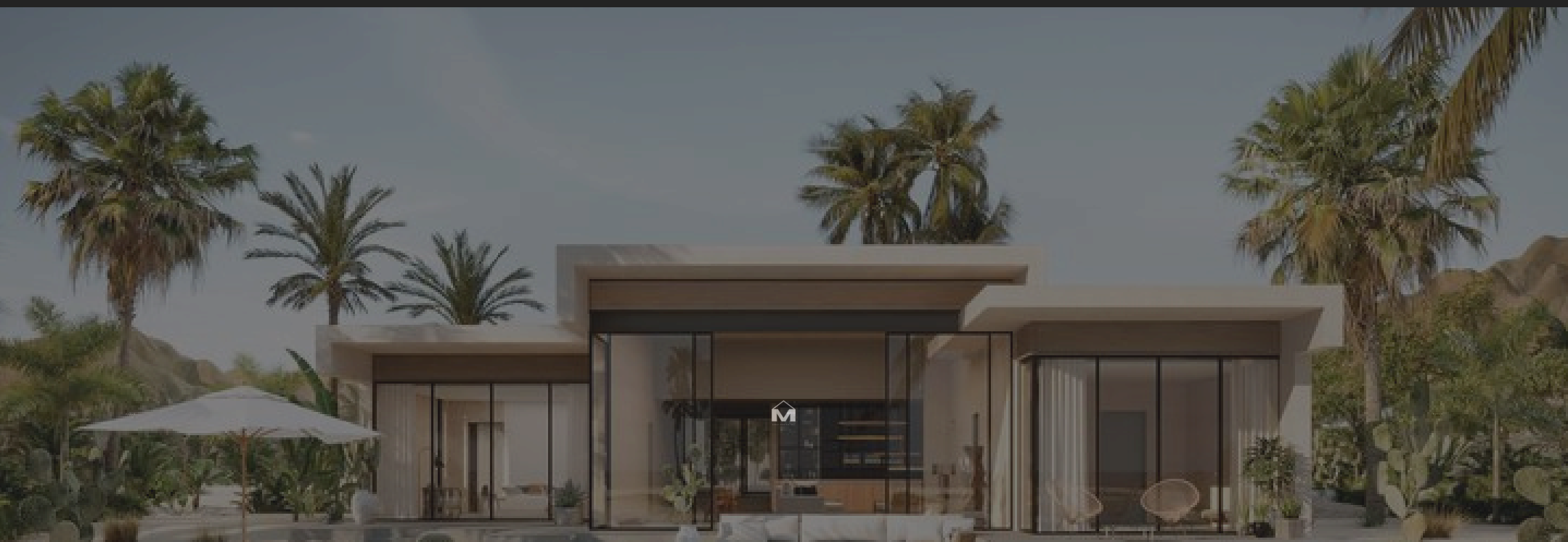
# Agent commission

## 3-5%

Sometimes priced into the listing. Sometimes added on top. Sometimes split between two agents you didn't know existed. Ask directly: "Who is paying the agent, and from which side of the deal?" If you don't get a clean answer, assume it's coming out of your pocket. On \$500K → \$15,000-\$25,000

NON-NEGOTIABLE

**Transparency on commission is the fastest way to judge whether you're working with a broker or a salesperson.**





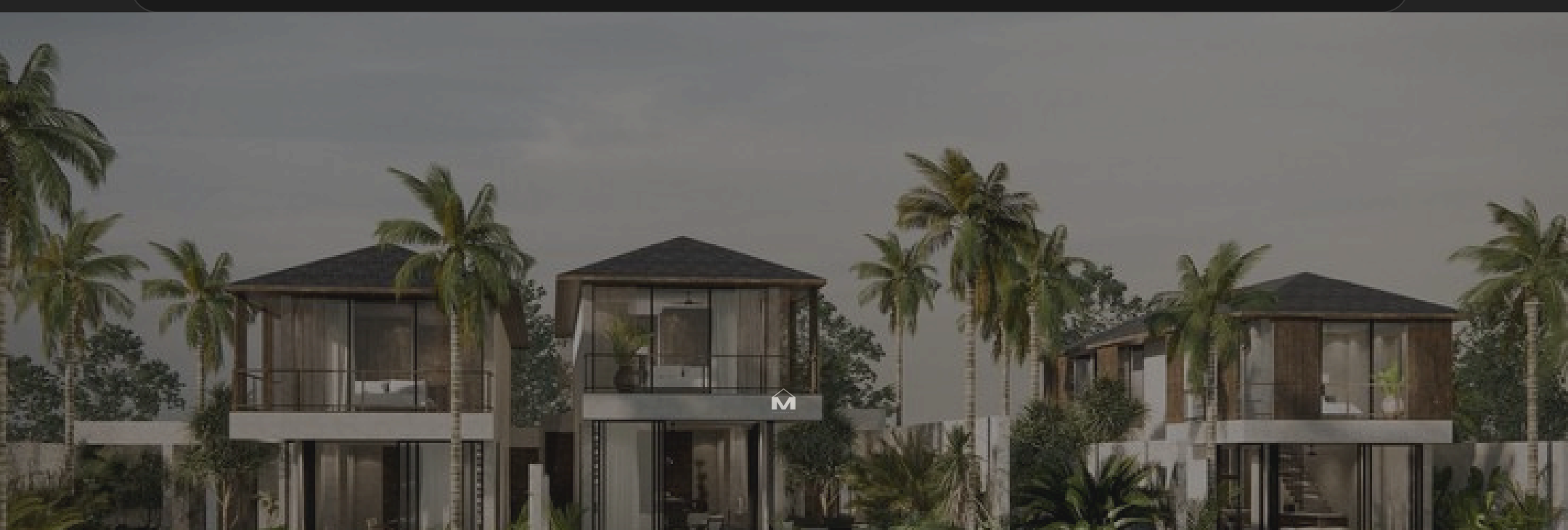
# Lease extension reserve

# 05

A 25-year lease sounds like three decades of peace. It isn't. By year 10, you're in the extension conversation. By year 15, you need a signed addendum or your asset is depreciating on autopilot. Landowners know this — and they price accordingly. Smart buyers reserve 20–40% of the original purchase price from day one. Reserve on \$500K → \$100,000–\$200,000

NON-NEGOTIABLE

**Skip this and you're not investing. You're paying rent with extra steps.**





# Renovation & PBG permits

# 06

Bali tightened construction enforcement sharply post-2023. Every wall moved, every pool added, every ARB converted to a second bedroom now requires a PBG permit (Persetujuan Bangunan Gedung) — plus architect drawings, structural sign-offs, and banjar approval. No permit = fines, demolition orders, or an unsellable title down the line. Typical total: \$3,000–\$15,000 depending on scope.

NON-NEGOTIABLE

**Factor this in before you promise yourself "a small renovation."**





# Additional costs

# 07

## → STAFF

A Bali villa doesn't run itself. Pool needs weekly chemicals. Garden needs daily cutting. Security needs a human. Housekeeping needs someone who actually knows how to maintain a villa — not just clean it. Skip the team and the property depreciates faster than your scooter. Realistic year-one staffing: \$6,000–\$12,000

NON-NEGOTIABLE

**This is an operating cost, not a nice-to-have. Build it into your yield calculation.**





BEFORE YOU SIGN

# The real price

**Sticker price: \$500,000 Closing costs (notary + BPHTB + PPh + commission): \$57,500–\$67,500**

**Lease extension reserve: \$100,000–\$200,000 Permits**

**Staff (year one): \$9,000–\$27,000**

**Real cost of ownership: ~\$670,000–\$795,000**

**The villa wasn't \$500K. The villa was closer to \$700K.**

**Anyone who told you otherwise was selling, not advising.**

**Demand a 12-month trailing P&L from a comparable.**

**Verify PBG, zoning, and use your own notaris.**

**Save this post** → so you have it when you need it.

