



FREE RESEARCH BRIEF

// BALI · PRE-PURCHASE · BVS-00

The Bali Villa Pre-Purchase Screen

Seven red flags. One ownership pathway, fully mapped. The screen to run on any Bali listing before you talk price.

Tourists shortlist on photos. **Operators run the screen.**

// Inside · a 5-minute read

- The sentence that reorders every listing
- Leasehold, fully mapped (1 of 4 pathways)
- The closing-cost stack — every one-time line, priced
- The 7 red flags · the 10-minute screen

FREE

RESEARCH BRIEF

7

RED FLAGS

1 of 4

PATHWAYS IN FULL

5 min

READ

THE SENTENCE THAT REORDERS EVERY LISTING

Foreigners do not own land in Indonesia. Read that sentence twice.

The word on the listing is "freehold." The law behind it is Law 5/1960 — the UUPA — and it reserves full ownership (*Hak Milik*) for Indonesian citizens. No quota. No carve-out. No condominium register that lets you in. The asset class is structurally closed to you, and every Bali purchase a foreigner makes runs through a substitute structure instead.

I logged Bali villa contract patterns from 2023 to 2025 — Rumah123, OLX Indonesia, Lamudi, plus six expat-facing agency portals. The structural breakdown of where foreign capital actually sits — the observed pattern across those portals, not a census:

60

~60% — LEASEHOLD (HAK SEWA)

A prepaid lump-sum lease, 25–30 years initial. No residency requirement. The structure behind 6 in 10 listings.

25

~25% — HAK PAKAI (RIGHT OF USE)

A registered right at BPN (the national land office), certificate in your own name. KITAS (Indonesian residence permit) required. Bali value floor \approx Rp 5B (\approx AUD 400K).

15

~15% — PT PMA (FOREIGN-OWNED COMPANY)

An Indonesian company you own, holding building rights (HGB). Rp 2.5B (\approx AUD 200K) paid-up capital to open the door.

!

A MATERIAL SLICE — NOMINEE ARRANGEMENTS

Your capital behind a title registered to someone else, held together by a side contract. Illegal. Void by statute. Some buyers think they're in the first two groups because they never read their own structure.



// THE DIVIDING LINE

The Lifestyle Buyer reads the word "freehold" on a listing. The Capital Allocator reads the certificate behind it. Same listing. Two different purchases. Only one of them knows which structure their money is entering — before the deposit moves.

Four pathways. Each one grants something different, costs something different, and fails in a different decade. The structure determines the asset. The asset never determines the structure.

This brief maps one of them — the one behind 6 in 10 listings — to full depth. So you can see what full depth looks like.

The other three are named, dated, and priced on the next page. Four named. One delivered. Turn the page.

LEASEHOLD, FULLY MAPPED

Leasehold (*Hak Sewa*) is a long-term lease paid as a single lump sum upfront. Initial term: **25–30 years**. No KITAS. No minimum value threshold. **2–6 weeks** to close. It is the cheapest door into Bali — and the one most foreign capital walks through.

What it grants: contractual right to occupy, improve, operate, and sublease (if the lease permits) for the registered period. What it does not grant: ownership. At expiry, the villa — including every improvement you funded — reverts to the landowner.

The unpriced renewal. Most lease contracts price the renewal at "then-prevailing market rates." Read those four words the way an underwriter reads them: the renewal is **contractual, not statutory**. Nothing in Indonesian land law fixes your year-25 price.

! // THE RENEWAL MATH

Bali land has appreciated 8–12% annually across most of the past decade — a historical band, not a forecast. At 9% compounding — the middle of that band — the land under a Rp 5B villa prices near Rp 43B by year 25. Your extension is a repurchase. Underwrite the 25 years you bought, not the 55 you were promised.

The protective move — free, and complete on this page. Register the lease at BPN against the underlying *Hak Milik* certificate. A PPAT files it; the fee runs **Rp 5–15M**. A registered lease binds whoever holds the land next. An unregistered lease binds only the person who signed it. Refuse to close without it.

That is one pathway at full depth. The other three:

PATHWAY	ONE FACT	WHAT KNOWING IT PREVENTS
HAK PAKAI	KITAS required · Bali floor ≈ Rp 5B (~AUD 400K) · 30+20+30-year structure	Knowing the year-30 extension mechanics prevents underwriting fiction on the 80
PT PMA	Rp 2.5B paid-up capital · AUD 6–12K/yr compliance load	Knowing the breakeven prevents buying a company to hold one villa
NOMINEE	Illegal. UUPA Law 5/1960: Article 21 bars the title; Article 26(2) voids the transfer and sends the land back to the state	Knowing the statute prevents the worst outcome on this list

// THE OTHER THREE PATHWAYS

Hak Pakai, PT PMA and the nominee trap each fail in a different decade. The Playbook maps all four to this depth, then gives you the decision framework: which pathway fits your price point, your visa status, and your hold period.

The Bali Villa Buyer’s Playbook — \$49 · Instant PDF →

WHAT IT COSTS TO CLOSE — AND WHAT IT COSTS TO RUN

Two stacks decide whether a Bali villa is a buy. The first is paid once, at closing — printed here in full. The second is paid every year the villa stands — named here, worked out in the Playbook.

THE ONE-TIME STACK — IN FULL

// ONE-TIME CLOSING COSTS · PAID AT ACQUISITION

Notaris fees — deed drafting + conveyance	1.0-1.5% of value
PPAT deed registration	Rp 5-15M
BPN registration (Hak Pakai pathway)	Rp 8-25M
BPHTB acquisition tax — the single largest line	5% of NPOP (taxable value) - Rp 80M NPOPTKP
PPh — the seller's tax on the sale; negotiate it onto the seller, price the worst case	2.5%
FX round-trip — AUD in, IDR out, spreads + bank fees	2-4%
Independent due diligence — title chain, inspection, valuation	Rp 25-50M

ALL-IN, ON TOP OF THE STICKER

6-9%

A Rp 5B villa is not a Rp 5B purchase. The 6-9% band is the typical landing zone — BPHTB applies to registered-title transfers, and convention puts the 2.5% PPh on the seller. If every line lands on you instead, the stack reaches 10.8%. Run your own column before you trust anyone's band.

THE ANNUAL STACK — NAMED, NOT PRICED

A Bali villa is a standalone operating asset — no juristic person, no building levy. Every line below is yours to contract, manage, and audit. Every year:

// ANNUAL STACK · LINES 1-7

Villa manager	—
Cleaner / housekeeper	—
Gardener / pool tech	—
Security	—
Statutory staff uplift (THR · BPJS · severance)	—
Banjar contribution	—
IPB / PBB property tax	—

// ANNUAL STACK · LINES 8-14

Insurance	—
Utilities (operator-paid)	—
Pool & garden materials	—
Maintenance reactive buffer	—
OTA commissions	—
Property management fee	—
Refurbishment provision	—

The Playbook works this stack twice on the same Rp 6.1B (≈ AUD 490K) Canggu 3-bedroom — Airbnb mode and long-lease mode. Every Rupiah written out. Neither answer is the number the asking price implies.

// THE STACK, WORKED TWICE

What each mode actually nets, and the purchase price at which the math flips — Section 3 of the Playbook.

See the math — \$49 →

THE SEVEN RED FLAGS

Seven signals. Any one of them is a verdict, not a discussion point. They are printed here in full because detection should be free. Run all seven against any listing before you respond to it.

1

THE LISTING WORD VS THE CERTIFICATE

The listing word and the certificate are different documents. "Freehold" is not a title class a foreigner can hold — verify which certificate actually sits behind the listing before you respond to it.

2

ESCROW, OR NO DEPOSIT

Require segregated escrow before any deposit moves. If you cannot get it, walk.

3

THE UNPRICED RENEWAL

The lease extension is priced at an unquantified "market rate." An unpriced renewal is an unpriced repurchase.

4

NO CERTIFICATE, NO DEPOSIT

If the Hak Milik certificate is not in your hands before the deposit, verification cannot begin. No certificate, no deposit.

5

NO TITLE IN YOUR NAME

No Sertifikat Hak Pakai or HGB ends up in YOUR name at the end of the structure.

6

THE OFF-PLAN TRACK RECORD

The off-plan developer has fewer than three completed projects.

7

THE 30% DISCOUNT

The price sits 30%+ below comparables with no structural explanation.

!

// ACTION ON ANY SINGLE HIT

Exit the deal. Don't negotiate around the trigger. Each of the seven is binary — this page is a kill-switch, not a negotiation aid.

⚠

// THE ASYMMETRY

The red flags tell you when to walk. They cannot tell you a clean deal is clean. That takes the 4-step title verification protocol — the full version of the due-diligence line you priced in the cost stack — Rp 25–60M, 2–6 weeks, Section 4 of the Playbook.

SCREEN A LIVE LISTING IN 10 MINUTES

Open the listing you were looking at before you found this brief. Run it.

Not a hypothetical listing. The one in your other tab. Five steps, write-in blanks, 10 minutes. This is the screen.

STEP 1 **Tenure word vs certificate.** The listing says: _____ — the certificate behind it is:

STEP 2 **Remaining term.** Years left on the clock — years left, not years marketed: _____

STEP 3 **Price vs land comps.** Rp per are of land — not per bedroom: _____ · neighbourhood comp: _____

STEP 4 **If off-plan:** the developer's completed-project count: _____

STEP 5 **All-in entry.** Asking + 6–9% closing stack: _____



// WORKED ILLUSTRATION — A COMPOSITE PATTERN, NOT A REAL ADDRESS

Assembled from listing patterns I logged 2023–2025. A 3-bedroom with pool, Canggu. The listing says “freehold.” The certificate behind it: a 25-year lease with 19 years left, marketed as “extendable to 50.” Asking Rp 6.1B (≈ AUD 490K). All-in entry at +6–9%: Rp 6.5–6.65B before a single night of operation. Step 1 alone reordered this deal: you are not buying a villa. You are prepaying 19 years.

STEP 6 **UNDERWRITE THE NET.** — This is where the screen ends. The screen tells you this listing is not an obvious walk-away. It cannot tell you whether it is a buy. That takes the 5-step framework, the full deduction stack, and the occupancy math — applied in the Playbook to three live deals: a Canggu Airbnb play, a Pererenan off-plan, a Sanur Hak Pakai. Two kills. One close.

// THE SCREEN ENDS HERE. THE UNDERWRITING STARTS IN THE PLAYBOOK.

Get the Playbook — \$49 · Instant PDF →

YOU'VE RUN THE SCREEN. NOW UNDERWRITE THE DEAL.

REF: BVS-CTA

// YOU NOW HAVE

- ✓ the 4 pathways named
- ✓ leasehold fully mapped
- ✓ the closing-cost stack
- ✓ 7 red flags
- ✓ a screened listing

// YOU STILL NEED

- the other 3 pathways at full depth
- the pathway decision framework
- the annual stack, worked twice
- the title verification protocol
- 3 live deal verdicts — two kills, one close
- the Australian buyer overlay
- the region scout

Get the Bali Villa Buyer's Playbook

Instant PDF · 7-day refund · the other 3 pathways, the math, the walkthroughs

\$49 →

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ALL FIGURES ARE RESEARCH ESTIMATES

Every fee range, tax rate, term structure, and worked illustration in this brief is a research estimate based on logged listing data and independent research as of mid-2026 (sources include Rumah123, OLX Indonesia, Lamudi Indonesia, and a panel of expat-targeted agency portals, 2023–2025). The worked illustration is a composite pattern, not a real address or a real transaction. Figures are presented for orientation, not as a complete or current statement of Indonesian law or market pricing. AUD / IDR conversions use 1 AUD ≈ Rp 12,500 (mid-2026 indicative); recompute against the live rate when evaluating a real listing.

INDONESIAN LAW IS SUBJECT TO CHANGE · VERIFY LOCALLY

The legal regime described (UUPA Law 5/1960, PP 18/2021 on land rights, BKPM Regulation No. 5 of 2025 on PMA capital, BPHTB / PPh / PBB tax schedules, and related implementing regulations) is current to the author's research as of mid-2026 but is subject to amendment, and implementation varies by regency. Before acting on any specific property, engage a licensed Indonesian notaris and PPAT, an Indonesian lawyer where applicable, and — for Australian readers — a registered Australian tax adviser with foreign-property expertise. Verify the current rules and any title directly before any money moves.

RISK OF LOSS

All real-estate investment carries the risk of partial or total loss of capital. International real-estate investment carries additional risks including currency fluctuation, regulatory change, political risk, title-chain risk, off-plan developer failure, and reduced liquidity relative to domestic markets. No content in this brief guarantees any outcome.

REFUND POLICY

The Bali Villa Buyer's Playbook (\$49) referenced in this brief carries a 7-day no-questions-asked refund via Gumroad, requested through the Gumroad receipt within 7 days of purchase. The \$339 Custom Investment Report is refundable in full until research has commenced on the buyer's shortlist; partial refunds proportional to delivery thereafter.

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stanbrinkman.com/bali-villa-screen