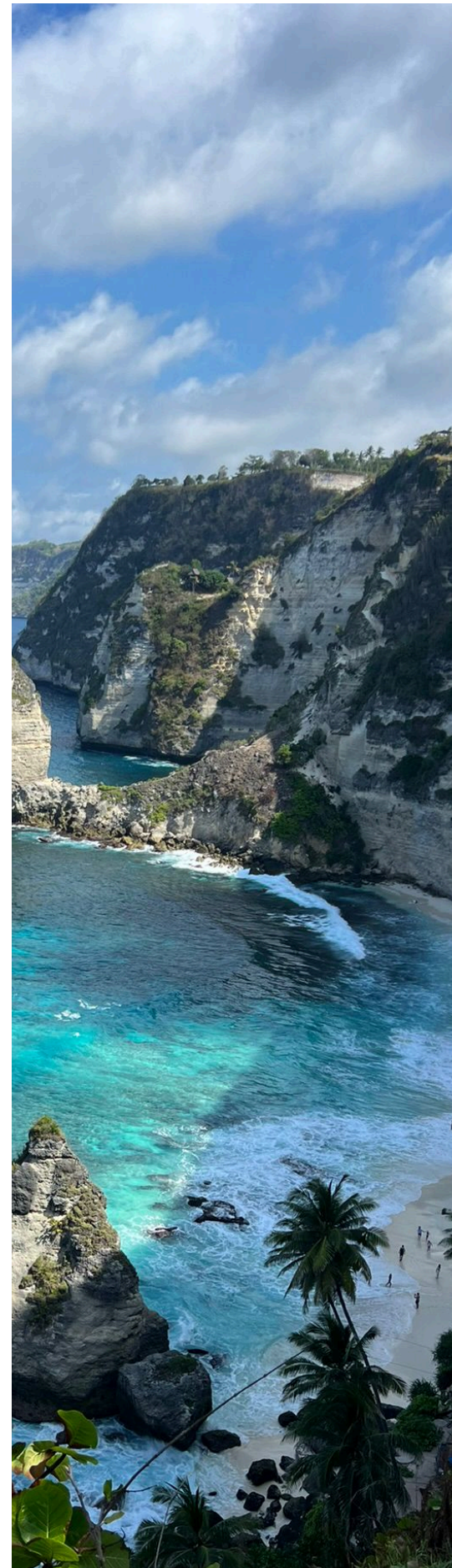


COMPLETE GUIDE TO BUYING A PROPERTY IN BALI



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Introduction

More than just villas and investments, what we aim to offer here are smart decisions.

This guide was created for those who dream of investing in Bali with safety, clarity, and purpose. I've learned that understanding the right path is just as important as choosing the right property. That's why we've gathered the key points you need to know before buying property in Bali – no fluff, no confusing terms, and with the transparency that defines everything we do at Field.

Alison Hanauer
CEO of Field Property

Why Invest in Bali?

Bali has become one of the most promising destinations in Asia for those seeking lifestyle, high returns, and real estate appreciation.

- High ROI (between 15% and 20% per year)
- Lower entry prices compared to mature markets
- Strong year-round demand for short-term rentals
- Tropical lifestyle and the potential for passive income

What Are Leasehold and Freehold?

Freehold:

- Full and perpetual ownership of the land
- Only available to Indonesian citizens or locally registered companies (PT PMA)
- Foreigners can only access this through a company legally established in Indonesia

Leasehold:

- Long-term lease (typically 25 to 30 years), renewable
- The property is yours during this period, with full rights to use, rent out, and resell
- The most common and accessible form of property ownership for foreigners, with no need to set up a company

Understanding Bali's Zoning Regulations

Bali is divided into zoning areas defined by the local government, which determine what can or cannot be built and operated in each region. Each zone is also identified by a specific color on the map.

● Yellow Zone – Residential (Permukiman)

Permitted Use: Private homes, villas, residential housing.

Construction Allowed: Yes — ideal for residential projects.

Business Use: Generally not allowed. Short-term rentals may be restricted without a specific license.

Best for: Personal housing or long-term rental.

● Red Zone – Commercial (Perdagangan dan Jasa)

Permitted Use: Commercial and service-related activities.

Construction Allowed: Yes — shops, offices, restaurants, cafés, coworking spaces.

Business Use: Allowed with proper licenses.

Best for: Businesses, retail, and public-facing ventures.

● Orange Zone – Tourism (Pariwisata)

Permitted Use: Tourism and hospitality operations.

Construction Allowed: Yes — hotels, holiday rental villas, resorts, beach clubs.

Business Use: Yes, including foreign-owned operations via PT PMA.

Best for: Investors planning short-term rental properties (e.g., Airbnb).

● Light Green Zone – Agricultural (Pertanian)

Permitted Use: Farming, plantations, livestock.

Construction Allowed: Generally not allowed unless rezoned.

Business Use: Not allowed, except for agricultural activities.

Best for: Agricultural use or speculative investment (with risk).

● Dark Green Zone – Environmental Protection / Forest

Permitted Use: Environmental conservation only.

Construction Allowed: Strictly prohibited.

Business Use: Not permitted.

Best for: Preservation. Land in this zone is not viable for investment.

● Blue Zone – Industrial (Perindustrian)

Permitted Use: Industry, storage, logistics.

Construction Allowed: Yes — warehouses, factories, storage facilities.

Business Use: Allowed in the industrial sector.

Best for: Industrial or logistics-related companies.

● Purple Zone – Institutional / Public (Fasilitas Umum / Pemerintahan)

Permitted Use: Schools, hospitals, public infrastructure.

Construction Allowed: Yes — for institutional use only.

Business Use: Not for commercial purposes.

Best for: Government-led or concession-based projects.

How Can a Foreigner Buy Property in Bali?

→ Foreign Individual Ownership via Leasehold

- Lease agreement registered with a notary
 - Full rights to use, rent out, and resell during the lease period
 - Simple process with no need to set up a company
-

→ Legal Entity (via PT PMA):

- Requires setting up a legally structured company in Indonesia
- Allows Freehold-equivalent purchases and broader commercial operations
- Recommended for those planning to operate on a larger scale



What Is the Expected Return?

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ROI between 15% and 20% per year with short-term rentals
Key factors that influence returns:

- Location
- Proximity to attractions
- Build quality
- Professional property management
- High occupancy rates

What Documents and Bureaucracy Are Involved?

For Leasehold:

- Registered lease agreement
- Due diligence process
- Building permit (IMB or PBG)
- Zoning certificates

For Freehold via Company (PT PMA):

- Company registration (PT PMA)
- Operational licenses
- Property deed in the company's name
- Annual accounting and tax reporting



Step-by-Step Guide

1. Property or Land Selection
2. Zoning Check and Due Diligence
3. Negotiation and Contract Signing
4. Registration with a Notary
5. Payment
6. Licensing and Permits
7. Handover or Construction
8. Start of Operation

Is It Safe to Invest in Bali?

Yes — as long as:

- The purchase is made through a reputable company
- All documentation is legally in order
- The land is in an appropriate zoning area
- You have qualified legal assistance

Count on Field Property Bali

- Ready-to-move and custom-built villas
- Full support in Portuguese
- ROI and rental income analysis
- Step-by-step consulting throughout the process
- Specialized local team to guide your investment





Let's Work Together



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