



YIELD · LONG-TERM RENT

Long-term rental in Bali as an investment: yearly and monthly leases

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Long-term rental trades some yield for predictability: one tenant, one payment a year and few turnovers. We priced it on a Canggu villa and compared nightly bookings.

Read online: <https://riserealbali.com/guides/bali-long-term-rental-investment/>

IN SHORT

A Bali villa let on yearly leases earns about 8% gross and 5–6.5% net in our model. The owner pays a final 10% tax on gross rent, or 20% as a non-resident, while the tenant pays utilities. Nightly rentals can beat that, but they carry more vacancy and more work.

Rp 36.0 mn

median asking rent per month, two-bedroom villa in Canggu, month to month (our sample, September 2026)

–22%

median cut in asking rent for signing a full year (same sample)

10% / 20%

final tax on gross rent for a resident and a non-resident owner

5.2–6.4%

net yield for a resident owner in our Rp 4 bn example

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Is long term rental in Bali a good investment?

It's a steady one, not a high one. On a Rp 4,000,000,000 Canggu villa let for a year at a time, we model about 8% gross and 5–6.5% net for a tax resident. A tenant who signs for twelve months usually pays the year up front, so the villa rarely sits empty.

Published figures run both higher and lower. Global Property Guide put the average gross yield on Bali villas at 4.24% in the third quarter of 2026, using asking rents and list prices. Bali Villa Realty, an agency, quotes 7–11% net on monthly rentals in August 2026. Our model falls between the two. The gap comes from which villas get averaged and which costs get counted.

All three sources use asking prices, not signed leases.

Source: Global Property Guide, gross rental yields in Indonesia, Q3 2026, updated August 2026 (Lamudi listing data); Bali Villa Realty, Bali rental yield 2026, August 25, 2026; Rise Real Bali model

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How much rent does a Bali villa earn on a yearly lease?

Month to month, two-bedroom asking rents sit at a median of Rp 36.0 million in Canggu, with Pererenan at Rp 37.2 million. We took them from 480 listings we collected on September 7, 2026. Signing for a full year cut the asking rent by a median 22%. In Canggu that leaves roughly Rp 28 million monthly, Rp 337 million over the year.

Other sources give wider ranges. The rental platform Invie puts 12-month contracts across the island at Rp 15–35 million a month, with Canggu and Seminyak at the top. The table sets its monthly rents beside the net yields one agency publishes.

Industry reviews put the year-contract discount lower, at 10–17% (Propertia and Knowmads Bali, 2026). Model your villa at 10–22% and ask for a real quote.

Monthly rent for a standard two- to three- bedroom pool villa, and the agency's long-term net yield claim

AREA	MONTHLY RENT	LONG-TERM NET YIELD CLAIMED
Canggu	Rp 20–40 mn	9–11% (Canggu and Berawa)
Seminyak	Rp 20–34 mn	8–10%
Uluwatu	Rp 17–33 mn	8–10% (with Bingin)
Ubud	Rp 25–40 mn	7–9%
Sanur	Rp 15–30 mn	6–9%

Source: Our September 2026 survey of 480 long-term asking listings, not signed leases; Inivie, Monthly villa rental in Bali, September 25, 2026; Bali Villa Realty, Bali rental yield 2026, August 25, 2026; Propertia and Knowmads Bali, 2026

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How much does a landlord keep from a yearly lease?

On a Rp 4 billion villa rented at Rp 28 million a month, a resident owner keeps about Rp 231 million a year. That's a 5.8% net yield, assuming one empty month between tenants. Gross rent comes to Rp 308 million, or 7.7%.

We took three costs off. Final income tax is 10% of gross rent. Pool and garden care runs about Rp 1.5 million a month, our estimate. Repairs, replacements and property tax add Rp 28 million a year. The tenant pays electricity, water and internet, so running costs stay far lighter than on a nightly villa.

A non-resident owner pays 20% instead of 10%, and net yield falls by about 0.8 points.

Rp 4 bn Canggu villa at Rp 28 mn a month on a yearly lease, our illustration

EMPTY MONTHS	GROSS RENT	GROSS YIELD	OWNER'S NET, RESIDENT	NET YIELD, RESIDENT	NET YIELD, NON-RESIDENT
0	Rp 336 mn	8.4%	Rp 256 mn	6.4%	5.6%
1	Rp 308 mn	7.7%	Rp 231 mn	5.8%	5.0%
2	Rp 280 mn	7.0%	Rp 206 mn	5.2%	4.5%

The Rp 28 million rent is Canggu's median asking price after the year discount, not a quote for any villa. Replace it with a real offer before you trust the result.

Source: Rise Real Bali calculation, inputs illustrative; our running costs guide, 2026

Long-term or short-term rental: which pays more?

Nightly lets pay more in a good year and ask for far more work. Our short-term model on the same Rp 4 bn Canggu villa, at 60% occupancy, nets 8.2% for a tax resident. A yearly lease nets 5–6.5%. That two- to three-point gap pays for fewer guests, less cleaning and a predictable income.

Occupancy decides it. At 50% the nightly model drops to 6.8%, close to a long lease. AirROI measured 36.2% occupancy across Canggu listings in the 12 months to July 2026. In our practice, a well-run villa holds 60–75%, but a new one needs six to nine months to get there. A yearly tenant removes that gap.

One agency's worked example puts both formats within 0.1 point of each other, at about 8.8–8.9% net (Bali Villa Realty, August 2026). Our model shows a wider gap. The full nightly maths sits in our rental yield guide, and Airbnb vs direct bookings shows what platform fees take.

Nightly rental also needs a tourism license, which our license guide covers. The ministry's delisting drive, which began August 1, 2026, targets accommodation sold on booking platforms. A year-long lease to one household isn't sold there, though you should confirm your plan with a lawyer.

Source: Rise Real Bali yield model; AirROI, Canggu, 12 months to July 2026; Bali Villa Realty, August 25, 2026; Indonesian Ministry of Tourism, Permenpar 6/2025

What tax does a landlord pay on long-term rent in Bali?

A tax-resident owner pays a flat final 10% on gross rent (Government Regulation 34/2017), and a non-resident pays 20% under Article 26 of the Income Tax Law. Neither rate allows deductions. Maintenance, security and service charges count toward the gross even when the lease bills them on a separate line.

A company tenant withholds the tax and remits it on your behalf. A private tenant won't, so you pay it yourself. Payment is due by the 15th of the month after the rent, and reporting by the 20th in Coretax's e-Bupot. The tax office said in August 2026 that it isn't a new tax for 2027.

Residency sets the rate. You count as resident once you spend over 183 days here in a 12-month span, as our tax residency guide explains. Tax treaties usually leave rent from property to the country where the property sits, so they won't lower the rate. On Rp 336 million of rent, that's Rp 33.6 million against Rp 67.2 million. Nightly lets and the regional tax sit in our rental tax guide.

Source: Government Regulation 34/2017 and Income Tax Law 7/1983 (Article 26(1)(c)); Ortax, final tax on rented land and buildings; DDTC, DGT clarification, August 18, 2026; DDTC, service charge in the rental tax base, May 16, 2024; PwC Worldwide Tax Summaries, Indonesia, reviewed June 11, 2026

What should a Bali villa lease say?

Fix six things in writing: the term, the payment schedule, the deposit, who pays utilities, what happens on early exit and what happens if you sell.

Deposits run one month's rent, sometimes two for a new or heavily furnished villa. Yearly tenants usually pay six to twelve months up front, and that prepayment is rent, not deposit. Write that the unused part comes back pro rata if either side ends the lease early, and keep the deposit on its own line.

Selling a rented villa leaves the tenancy in place. Article 1576 of the Civil Code carries over the old rule that a sale breaks no lease, unless the contract provides otherwise (Hukumonline, December 14, 2025). A buyer of a tenanted villa inherits the tenant. If you may sell during the term, put an exit clause in at signing.

Add the tenant's passport and valid stay permit, and a ban on subletting and nightly use. Electricity is billed by meter and sits outside the rent. PLN charges Rp 1,699.53 per kWh above 3,500 VA this quarter, and industry estimates put a monthly bill at Rp 2–4 million on a villa running air conditioning and a pool. Our running costs guide breaks the bill down, and the handover checklist gives you an inventory to attach at move-in.

Source: Rise Real Bali lease practice, September 2026; Bali Management Villas, annual rental agreement glossary; Hukumonline, koop breekt geen huur, December 14, 2025; PLN tariff, July–September 2026; Kompas, June 4, 2026

Who rents long term in Bali, and where does it pay?

In our practice, tenants are remote workers, expats and families who want a base for a year or two. They cluster where the rents above are highest. Canggu and Pererenan are the deepest markets, with two-bedroom medians of Rp 36.0 and Rp 37.2 million. Our Canggu vs Pererenan guide compares the two, and the area pages for Canggu, Pererenan, Seminyak, Ubud and Sanur show current prices.

On a leasehold villa, rent isn't the whole return, because the land right runs down every year. A villa with 25 years left earns the same rent in year one and year ten, but resale value shrinks. See leasehold vs freehold and extensions before comparing yields.

A manager who handles tenants and repairs is cheaper than one running nightly stays, but still a cost; our fee guide has the ranges. Test a specific villa in the yield calculator, or browse the catalog. The price is the developer's or seller's price, and they pay our commission, so the search costs you nothing.

Source: Rise Real Bali practice, 2023–2026; Our September 2026 rental survey

What this means for buyers

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- 01 A yearly lease on a Rp 4 bn Canggu villa grosses about 8% and nets 5–6.5% for a tax resident.
 - 02 Signing for a full year cut asking rent by a median 22% in our Canggu and Pererenan sample.
 - 03 Final tax is 10% of gross rent for residents and 20% for non-residents, and no cost is deductible.
 - 04 A sale doesn't end a lease, so agree exit terms first.
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FAQ

Is it better to rent a villa long term or short term in Bali?

Short term can net two to three points more, but only if occupancy holds near 60%, while Canggu listings averaged 36.2% (AirROI). A yearly lease gives fixed income and lighter costs. On a Rp 4 bn Canggu villa we model 8.2% net nightly against 5–6.5% on a yearly lease.

What does a yearly villa rental in Bali cost?

For two bedrooms in Canggu, expect about Rp 28 million monthly on a yearly contract, Rp 337 million in all (Rise Real Bali sample, September 2026). Inivie puts 12-month contracts across Bali at Rp 15–35 million a month. Industry reviews add that most owners want the whole year paid before move-in, which makes a large first cheque.

What tax do I pay on long-term rental income in Bali?

A tax-resident owner pays a final 10% of gross rent under PP 34/2017. A non-resident pays 20% withholding under Article 26. The base includes service charges and maintenance, and nothing is deductible. A company tenant withholds the tax and remits it, while a private tenant leaves the payment to you.

Do tenants pay utilities in a long-term villa rental?

Usually yes. Electricity is billed by meter and sits outside the rent, at PLN's Rp 1,699.53 per kWh from 3,500 VA up (July–September 2026). Water and internet follow the same logic. Settle pool and garden care in the lease.

Can I sell a villa that has a tenant in it?

Yes. The Civil Code (Article 1576) keeps a lease alive after a sale, unless the contract says otherwise. The buyer takes over the tenant and the remaining term. If you may sell early, write an exit clause and a notice period into the contract before signing.

How we know this

Rents come from our own survey of 480 asking listings from September 2026, plus ranges from Inivie and Bali Villa Realty. These are asking prices and agency estimates, not signed leases. The Rp 4 billion yield table is our illustration, built on the Canggu median rent after the 22% yearly discount. Industry reviews quote 10–17%, and we show both. Tax rules were checked against PP 34/2017, Article 26, Ortax and DDTC in October 2026.

- Global Property Guide, gross rental yields in Indonesia, Q3 2026 (Lamudi data), updated August 2026
- Bali Villa Realty, Bali rental yield 2026, August 25, 2026
- Inivie, Monthly villa rental in Bali: prices by area for 2026, September 25, 2026
- Our September 2026 survey of 480 long-term asking listings
- Propertia and Knowmads Bali, rental rate reviews, 2026
- Government Regulation 34/2017 on final tax for land and building leases; Ortax explainer
- Income Tax Law 7/1983, Article 26(1)(c)
- DDTC, DGT clarification on rental property tax, August 18, 2026, and DDTC on service charges in the tax base, May 16, 2024
- PwC tax summaries, Indonesia, June 11, 2026 review
- Hukumonline, koop breekt geen huur and Civil Code Article 1576, December 14, 2025
- PLN household tariff for July–September 2026; Kompas, June 4, 2026
- AirROI Canggu report, 12 months to July 2026

Rise Real Bali is a real estate agency in Bali. We write from the deals we handle and from public data, and we name our sources.

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