YIELD · MANAGEMENT

Bali property management fees and rental guarantees: what the agreement should say

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A Bali management company takes a share of your villa's revenue, and the contract decides what that share is calculated on. Four clauses in the agreement matter more than the headline percentage.

Read online: https://riserealbali.com/guides/bali-property-management-fees/

IN SHORT

Bali villa managers charge 15–20% of revenue in the mid-market, 20–25% at the budget end and 12–15% for premium villas. Resort operators take about 23%. After fees, upkeep, vacancy and tax, the owner keeps roughly 55–60%. Rental guarantees pay a fixed percentage of the price for a set term, usually a few years.

15–20%
typical management fee, % of revenue, mid-market

About 23%
resort operator's share

55–60%
what the owner keeps, in our model

10%
local hotel tax (PBJT) added to the guest's bill

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Two arrangements sold under one word

"Managed" can mean two different deals. In a revenue share, the manager rents the villa, takes a percentage of what it earns and passes the rest to you. Your income moves with the market every month.

In a rental guarantee, the developer or an operator pays you a fixed percentage of the purchase price for a set term, whatever the villa earns. It looks safer on paper. It's also a promise with an end date, and you won't see the villa's real occupancy until the term runs out.

Revenue share

- You see real occupancy from the first month
- Income rises with the market
- You and the manager both carry the low season
- Booking reports you can check line by line against the platforms

Fixed guarantee

- The rate holds only for the contract term
- You won't see true occupancy until it ends
- The cost of the promise may already sit in the purchase price
- Income resets to market

Source: Rise Real Bali practice, 2023–2026

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What managers charge

Bali fees run on a sliding scale. Budget operators charge 20–25% of revenue, the mid-market sits at 15–20%, and premium villas with a strong booking history negotiate 12–15%. Resort operators with a front desk and hotel-style service take more, about 23% in the contracts we see, and usually deliver higher occupancy for it.

The headline percentage tells you little on its own. Industry fee guides published in 2026 put the all-in cost of running a Bali villa at 28–38% of revenue once you add booking commissions and operating costs. Some operators also mark up cleaning, maintenance and guest supplies.

Management fees in Bali, % of revenue

TIER	TYPICAL FEE	WHAT IT USUALLY BUYS
Budget operator	20–25%	Listings, guest check-in, cleaning
Mid-market manager	15–20%	Pricing, marketing, maintenance, owner reports
Premium villa	12–15%	Full service on a villa that books itself
Resort operator	About 23%	Hotel front desk, brand, pooled distribution

Source: Rise Real Bali practice; Bali villa management fee guides, 2026

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The clause that costs the most: the fee base

Read the fee base first. A manager can take its percentage from gross bookings, including the platform's commission and the costs of running the villa. Or it can take it from what remains after those come out. The two sound alike and they aren't.

Take a villa that books Rp 600 million in a year. Booking platforms keep Rp 90 million and running costs take Rp 72 million. A 20% fee on gross bookings is Rp 120 million, and you're left with Rp 318 million before income tax. The same 20% on the Rp 438 million left after those costs is Rp 87.6 million, which leaves you Rp 350.4 million. One line in the contract moves your income by 10%.

One villa, two fee bases, before income tax

LINE	FEE ON GROSS	FEE AFTER COSTS
Gross bookings	Rp 600 mn	Rp 600 mn
Platform commissions, 15%	– Rp 90 mn	– Rp 90 mn
Running costs, 12%	– Rp 72 mn	– Rp 72 mn
Management fee, 20%	– Rp 120 mn	– Rp 87.6 mn
Owner receives	Rp 318 mn	Rp 350.4 mn

Source: Rise Real Bali calculation, illustrative inputs

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Clauses to read before you sign

When owners fall out with a manager, it almost always traces back to the same few clauses. Settle them at signing. Once the villa is live and taking bookings, they're hard to renegotiate.

What the management agreement should state

CLAUSE	WHAT TO PIN DOWN
Fee base	Gross bookings or revenue after costs
Costs charged to you	Utilities, supplies, minor repairs, staff
Platform commissions	Inside the manager's fee or deducted separately
Owner's nights	How many free nights a year, and in which seasons
Reporting	How often, and whether you can see the booking system
Furniture and equipment	Who pays to replace the FF&E
Rental license	Whose license (NIB) the villa rents under
Exit	Notice period, early-termination fee, what happens to future bookings

> The Tourism Ministry began delisting unlicensed short-let operators from booking platforms on August 1, 2026. Check whose license the manager rents your villa under before you sign.

Source: Rise Real Bali practice; Tourism Ministry statements via Antara, June 2026

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Taxes the model has to include

Two taxes sit around a rental villa. The first is PBJT, the regional tax on hotel services under Law 1/2022, which covers villas, guesthouses and private homes rented by the night. Badung sets it at 10% of what the guest pays. The guest bears it and the operator remits it, but it still raises the price the guest sees.

The second is income tax on your rent. Residents of Indonesia for tax purposes pay a final 10% on gross rent under PP 34/2017. Owners who live abroad and have no permanent establishment here face 20% withholding (PPh 26). Tax treaties rarely help, because they usually let the country where the property sits tax the rental income.

10%
PBJT on the guest's bill, Badung

10%
final income tax on rent, resident

20%
withholding on rent, non-resident

Source: Law 1/2022 (HKPD); Badung Regional Regulation 7/2023; PP 34/2017; Ortax, June 2026; Seven Stones Indonesia, 2026

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How a rental guarantee works

A guarantee is a contractual promise to pay you a fixed percentage of the purchase price each year for a set term, usually a few years. Payments often come once a year, after a full year of bookings, rather than monthly. Taxes, maintenance and utilities are usually yours on top.

The money has to come from somewhere: the villa's rental income, a reserve built into the price, or the guarantor's own balance sheet. The contract rarely says which. One phone call answers most of it. Ask the price of a comparable villa nearby that comes without a guarantee. The difference is what you're paying for the promise.

Indonesia has no statute written specifically for rental guarantees. Condotel-style schemes fall under the condominium law (Law 20/2011) and general contract law, so a missed payment becomes a breach-of-contract claim against whoever signed the guarantee. A guarantee is only as strong as that entity.

- ✓ Who is the guarantor: the developer itself or a separate company
- ✓ Whether the rate is a share of the price or a share of actual revenue
- ✓ When payments fall due, and the date of the first one
- ✓ Whether there's an escrow account or a bank guarantee behind it
- ✓ Who pays tax, maintenance and utilities
- ✓ Limits on your own stays and on reselling
- ✓ What happens to the villa the day after the guarantee ends, and who manages it from then on

Source: Law 20/2011 on condominiums; Global Investments, Bali villa investment guide, 2026; Rise Real Bali practice

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After the guarantee ends

This is the clause buyers skip, because it's years away. When the term ends, the villa moves to ordinary management at market rates. Your yield is then measured against the price you paid, including whatever the guarantee added to it.

By then the villa has usually had several years of intensive short-let use. Budget for new furniture, finishes and equipment at that point. Model the whole holding period, not only the guaranteed years. Run that way, a guarantee can still make sense: it smooths the first years while a new villa earns its reviews.

PURCHASE

Price includes the promise

Compare with a similar villa that has no guarantee.

GUARANTEE TERM

Fixed payments

Usually yearly, with tax and upkeep on top.

AFTER THE TERM

Market yield

Measured on the price you paid, often with a refurbishment due.

Source: Rise Real Bali practice

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Who a managed villa suits

Management works for owners who want income without running a hospitality business from abroad. It works best in areas with year-round demand and with a manager who can show you real occupancy history on villas like yours.

A good fit if you

- Want income without daily involvement
- Won't live in the villa for months at a time
- Can accept the operator's rules on when you stay

Look elsewhere if you

- Need July and August for family holidays
- Want to set the nightly rate yourself, week by week
- Plan to rebuild

Source: Rise Real Bali practice

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Before you sign a management agreement

Send us the draft agreement or the guarantee terms with the villa you're considering. We'll read the fee base, the cost lines and the exit clause, and model the villa on market occupancy. The numbers behind that model are in our rental yield guide, and the platform side is in Airbnb, Booking.com or direct.

Browse villas with our yield estimates in the catalog or by area, starting with Nusa Dua and Ubud, where resort-managed units are common. Licensing rules are in our rental license guide.

What this means for buyers

01 Mid-market managers charge 15–20% of revenue, resort operators about 23%.

02 The fee base, gross bookings or revenue after costs, can move your income by around 10%.

03 Guests pay 10% PBJT on top. You pay income tax on rent: 10% as a resident, 20% as a non-resident.

04 Price a guarantee against a similar villa without one, and model the years after it ends.

FAQ

How much do property management companies charge in Bali?

Usually 15–20% of revenue in the mid-market, 20–25% for budget operators and 12–15% for premium villas. Resort operators take about 23%. Utilities, major repairs and furniture replacement are normally extra and paid by the owner.

What does villa management in Bali include?

Listing and pricing on the booking platforms, guest check-in, cleaning and linen, pool care and minor maintenance, supplies and owner reports. Utilities and major repairs usually stay with the owner. The contract should list both sides.

Are rental guarantees in Bali worth it?

They can smooth the first years of a new villa. Check who signs the guarantee, whether an escrow or bank guarantee backs it and how the price compares with a similar villa without one. Then model the years after it ends.

What tax do I pay on Bali rental income?

If you're resident in Indonesia for tax purposes, a final 10% of gross rent (PP 34/2017). If you live abroad, 20% withholding (PPh 26). Guests also pay a 10% regional hotel tax (PBJT) on top of the rate.

Can I stay in my own villa if it's managed?

Yes, within the owner's nights set in the agreement. Operators often reserve July, August and the New Year weeks for paying guests, so agree on your dates before you sign.

How we know this

Fee ranges come from the management agreements we review for clients and from fee guides published by Bali management firms in 2026, which put the all-in cost at 28–38% of revenue. The 55–60% owner share is our yield model: 18% management, or 23% for a resort operator, 12% upkeep and vacancy, and 10% tax for a resident. The fee-base comparison uses illustrative inputs. Tax rates come from the statutes (the 2022 regional tax law, Badung's 2023 tax regulation and PP 34/2017), checked against notes from two tax practitioners. This guide describes how guarantee contracts work in general and names no developer or operator. This isn't legal or tax advice.

— Law No. 1 of 2022 on central and regional fiscal relations (HKPD), PBJT on hotel services

— Badung Regency Regional Regulation No. 7 of 2023 on regional taxes

— Government Regulation No. 34 of 2017 on income tax from land and building rentals

— Law No. 20 of 2011 on condominiums

— Ortax, rental income from Bali villas earned by non-residents, June 2026

— Seven Stones Indonesia, Bali property taxes for foreigners, 2026

— Global Investments, Bali villa investment guide, 2026

— Bali villa management fee guides, 2026

— Rise Real Bali yield model and contract reviews, 2023–2026

By Dmitrii Rogov, Rise Real Bali.

Questions about this guide?

Message us on WhatsApp: +62 812 3769 2133 · wa.me/6281237692133

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