COSTS · RENT OR BUY

Rent or buy in Bali: the numbers over five years

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We priced the same two-bedroom villa in Canggu three ways: rented by the month, rented by the year and bought on a leasehold. The answer isn't what most people selling property want you to hear.

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IN SHORT

For a home you live in, renting usually wins. An annual lease on a two-bedroom Canggu villa costs about Rp 337 million a year. Owning a similar Rp 5 billion leasehold costs about Rp 420 million a year in lease run-off, upkeep and set-up (our model). Letting the villa out about three months a year closes the gap.

Rp 337 mn
a year's rent, 2-bedroom Canggu villa on an annual contract

Rp 420 mn
a year of owning a similar Rp 5 bn leasehold, our model

22%
median saving of an annual contract over monthly rent

About 3 months
of letting a year that closes the gap

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What it costs to rent a villa, area by area

Bali publishes no official statistics on long-term rents, so we built our own sample: 480 monthly and yearly listings across nine areas, collected on September 7, 2026. The spread inside one area is wider than the spread between areas. Treat each median as the middle of a range, and negotiate from there, especially on longer terms.

A two-bedroom villa in Canggu asks a median Rp 36 million a month. Pererenan and Ubud sit close to that. Umalas and Uluwatu run far higher, and Kedungu and Tabanan are the cheapest in the sample.

Long-term villa rent, median asking price per month

AREA	2 BEDROOMS	3 BEDROOMS
Uluwatu	Rp 62.4 mn	Rp 96.8 mn
Umalas	Rp 56.2 mn	Rp 62.4 mn
Seminyak	Rp 40.0 mn	Rp 61.2 mn
Pererenan	Rp 37.2 mn	Rp 62.4 mn
Canggu	Rp 36.0 mn	Rp 56.4 mn
Ubud	Rp 35.0 mn	Rp 72.4 mn
Nusa Dua	Rp 29.6 mn	—
Kedungu, Tabanan	Rp 28.7 mn	Rp 67.1 mn

Source: Rise Real Bali sample of 480 long-term rental listings, September 7, 2026. Asking prices, not signed contracts.

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An annual contract costs 22% less

Across 41 matching pairs of area and villa type, a yearly contract came in 22% below the monthly rate at the median. The Canggu two-bedroom drops from Rp 36 million to about Rp 28 million a month, or Rp 337 million for the year. Discounts ran from almost nothing to 58%, and the biggest ones were on large villas.

The catch is cash flow. Most annual leases in Bali want the whole year paid before you move in, plus a deposit, usually one month's rent. Electricity is metered on top and runs Rp 2–4 million a month for a villa with air conditioning and a pool. Paying two or three years ahead often buys another 15–20% off.

22%	**1 month**	**Rp 2–4 mn**
median annual-contract discount	typical deposit	electricity a month, not in the rent

Source: Rise Real Bali rental sample, September 7, 2026; Knowmads Bali and Bali Villa Hub on deposits and prepayment, 2026

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What owning the same villa costs each year

A two-bedroom villa in Canggu has a median asking price of Rp 4.96 billion in our catalog, so we model Rp 5 billion on a leasehold with 25 years left. The first cost is time. A lease loses value as it runs down, and after five years you'd sell a villa with 20 years left. Spread evenly, that run-off comes to Rp 200 million a year.

Next come the running costs. We set aside 3% of the villa's value a year for repairs and replacing what the climate wears out, plus about Rp 15 million for land and building tax and insurance. Up front you pay notary fees (1% of the deed at most), a legal check and a furniture package. We write all of that off over the five years. Utilities are the same whether you rent or own, so we leave them out.

Owning a Rp 5 bn leasehold villa in Canggu, 25 years left, our model

ITEM	PER YEAR	OVER FIVE YEARS
Lease run-off, price ÷ 25 years	Rp 200 mn	Rp 1.00 bn
Repairs and replacement, 3% of value	Rp 150 mn	Rp 0.75 bn
Land and building tax, insurance	Rp 15 mn	Rp 0.08 bn
Notary, legal check, furniture package, once	Rp 55 mn	Rp 0.28 bn
Total	Rp 420 mn	Rp 2.10 bn

Source: Rise Real Bali cost model, September 2026; Rise Real Bali catalog median for 2-bedroom villas in Canggu; PP 24/2016 on notary fees

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Five years side by side

Put the options next to each other and a buyer who lives in the villa full time loses. Five years on annual contracts cost about Rp 1.68 billion. Owning costs about Rp 2.10 billion. Renting month to month is the most expensive way to live here at Rp 2.16 billion, so if you're staying, switch to a yearly lease first.

One more honest adjustment: your Rp 5 billion could earn something elsewhere. At 5% a year, that's another Rp 250 million a year of forgone return on the owner's side, and the gap widens to about Rp 1.7 billion over five years.

Living in a 2-bedroom Canggu villa for five years

Price growth, rent inflation and the return your money could earn elsewhere are left out of the base case.

Source: Rise Real Bali model and rental sample, September 2026

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Where buying catches up: letting it while you're away

Buying pays off in the months you're away, when the villa earns. In our yield model, a Canggu two-bedroom at Rp 2.5 million a night and 60% occupancy leaves a tax-resident owner about Rp 27 million for each month it's let, after management, upkeep and tax.

The gap between owning and an annual lease is about Rp 84 million a year. Three months of letting covers it. A non-resident keeps less, since withholding on rent is 20% instead of 10%, so plan on closer to four months. Count the forgone 5% return as well, though, and even a full year of letting doesn't quite close the gap at this price. Buying works when you treat the villa as an investment you also use, and letting it legally needs a rental license, as our license guide explains.

> Price growth can flip the result. Our base case assumes the villa's value falls in step with its lease. If Canggu prices rise about 4% a year, that growth roughly cancels the run-off, and buying wins over five years even without letting. Land in Bali gained 15–30% over 2024–2026 (Magnum Estate), but past growth isn't a promise.

Source: Rise Real Bali yield model: owner keeps about 60% of revenue as a tax resident; PP 34/2017; Income Tax Law, Article 26; Magnum Estate, June 2026

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When we tell people not to buy

We talk buyers out of a purchase more often than you'd think. These are the situations where renting is the honest answer.

Rent if

- You've been on the island less than three years and don't yet know which area suits you
- You want the villa only as your own home and won't let it
- Fewer than 20 years remain on the lease, and it's priced as if they didn't matter
- The plot is zoned as farmland
- This is the last of your savings, because selling a Bali villa takes months, not days

Buying can make sense if

- You'll stay five years or more
- You'll let the villa when you're away
- You or your company can hold a rental license
- The price per remaining year of lease holds up against comparable villas nearby

Source: Rise Real Bali buyer practice, 2023–2026

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Renting well: the contract

A lease doesn't need a notary to be valid, but a notarial deed carries the strongest evidential weight if there's a dispute. A contract with a foreign party must be written in Indonesian as well as English. Unless the contract says otherwise, the Indonesian version prevails, so read it or have it read.

Two details protect you. Under the Civil Code (Article 1576), selling the villa doesn't end your lease, and the new owner takes over the landlord's obligations. That protection is only as good as a signed, dated contract with the property described. Also make sure your landlord reports your stay to immigration as the law requires, so your address in the system matches where you live.

Before you pay

- Land certificate, with the owner's name matching the signatory
- Head-lease term, if the villa is itself on a lease
- Bilingual contract that names the governing version
- Photo inventory at handover
- A closed list of reasons the deposit can be kept

Source: Civil Code, Articles 1576 and 1870; Law 24/2009, Article 31, and Presidential Regulation 63/2019, Article 26, via Hukumonline, June 10, 2024; Law 6/2011 on immigration, Article 72

Run the numbers on your own case

Change the price, the area or the months you're away and the answer moves. Our guide to what a villa costs gives asking prices by area, and running costs covers the monthly bill. Send us the villa you're weighing and your plans for the next five years, and we'll run both columns for you, or browse the catalog.

What this means for buyers

01 For a home you live in full time, renting on an annual contract costs less than owning a leasehold.

02 Moving from monthly to yearly rent saves 22% at the median.

03 Letting the villa about three months a year closes the gap for a tax-resident owner.

04 Count the lease run-off, because a leasehold loses value every year it runs.

FAQ

Is it better to rent or buy in Bali?

If you'll only live in the villa, renting usually costs less. A two-bedroom in Canggu costs about Rp 337 million a year on an annual contract against about Rp 420 million a year to own a similar Rp 5 billion leasehold (our model, September 2026). Buying catches up if you let the villa about three months a year.

How much does it cost to rent a villa in Bali long term?

In our September 2026 sample, a two-bedroom villa's median monthly rent was Rp 36 million in Canggu, Rp 37.2 million in Pererenan, Rp 35 million in Ubud and Rp 62.4 million in Uluwatu. An annual contract is about 22% cheaper.

Do you have to pay a year upfront to rent in Bali?

Most annual leases ask for the full year before you move in, plus a deposit of about one month's rent. Paying two or three years ahead can bring another 15–20% off.

What happens to my lease if the owner sells the villa?

Under Article 1576 of the Indonesian Civil Code, a sale doesn't end an existing lease unless the lease itself says so. The new owner takes over the landlord's obligations, which is why a signed, dated contract matters.

Can a foreigner buy a home in Bali without a residence permit?

Yes, through a leasehold. A right-to-use title (Hak Pakai) needs a residence permit. A non-resident also pays 20% withholding on rental income instead of the 10% final tax for residents.

How we know this

Rents come from our own sample of 480 long-term listings in nine areas, collected September 7, 2026. They're asking prices, so signed contracts usually close lower. The annual discount is the median across 41 area-and-type pairs with both monthly and yearly listings. The ownership side uses the median asking price of two-bedroom villas in Canggu in our catalog and assumes 25 years left on the lease, with the run-off spread evenly. Upkeep is 3% of value a year, plus land and building tax and insurance. One-off costs cover the notary, a legal check and a furniture package, written off over five years. Rental income uses our yield model at Rp 2.5 million a night and 60% occupancy, with the owner keeping about 60% as a tax resident. Price growth, rent inflation and the time value of money stay out of the base case and are shown as adjustments. This is a model, not a promise of income.

— Rise Real Bali sample of 480 long-term rental listings, September 7, 2026

— Rise Real Bali catalog and yield model, September 2026

— Propertia, Bali cost of living by area, 2026; Knowmads Bali, renting a villa in Bali, 2026

— Magnum Estate, Bali Property Prices 2026, June 3, 2026

— PP 34/2017; Income Tax Law, Article 26

— Indonesian Civil Code, Articles 1576 and 1870

— Law 24/2009 and Presidential Regulation 63/2019 on contract language, via Hukumonline, June 10, 2024

— Law 6/2011 on immigration

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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