





This guide is designed for potential investors interested in Bali real estate, as well as those looking to leverage island trends in their investment decisions and generate a steady rental income.



# STRUCTURE

ABOUT INVESTMENTS	05
ABOUT ALEX VILLAS	07
GENERAL INFORMATION	10
INVESTMENT STRATEGIES	12
RETURNS	16
KEY ASPECTS OF LAND PURCHASE	26
CHOOSING A RELIABLE DEVELOPER	30
SELECTING THE RIGHT LOCATION	32
THE ROLE OF A MANAGEMENT COMPANY	35



**INVESTING** is the key to financial independence and passive income. It enables you to generate profit without the need for constant work, giving you more freedom for family, hobbies, and travel.

PASSIVE INCOME provides stability and financial security while helping you achieve long-term goals, such as funding your children's education or starting a business.

#### **EXAMPLES OF PASSIVE INCOME:**

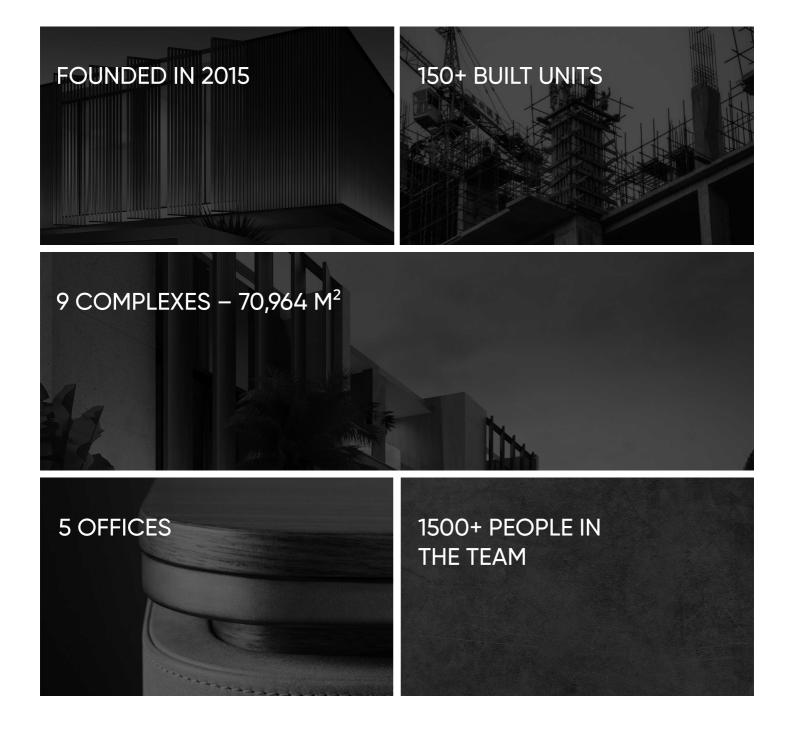
REAL ESTATE	STOCK MARKET
Rental income	Dividends and bond interest
ONLINE VENTURES Selling digital products or advertising revenue	MANAGED INVESTMENTS  Profit without active  involvement



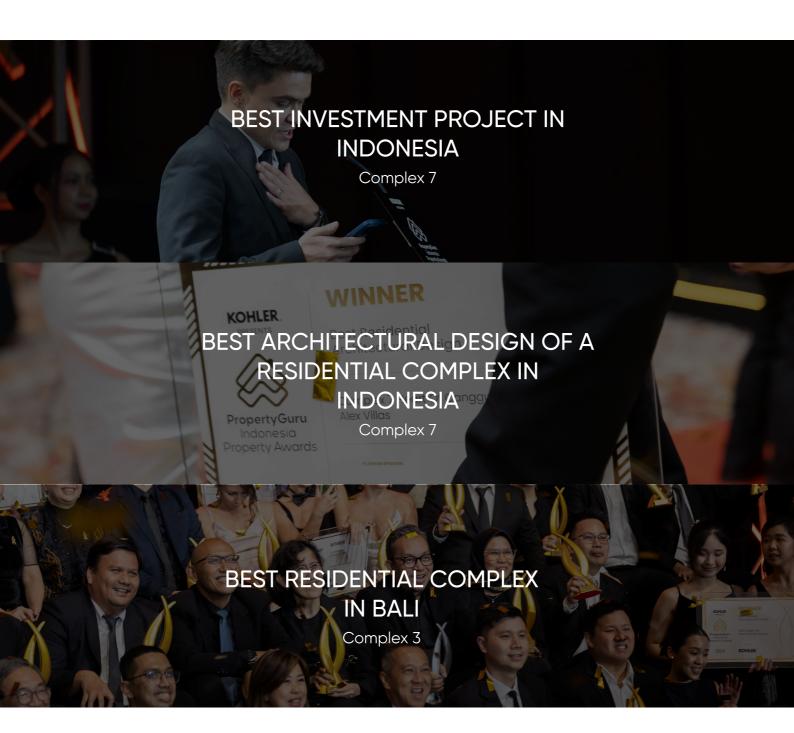
MANAGEMENT IN BALI, WITH 10

YEARS OF EXPERIENCE.

The company creates premium complexes with developed infrastructure in the best locations on the island and manages all properties independently, using its own construction materials and furniture.



In 2024, the company won the "Real Estate Market Records" and PropertyGuru Asia Property Awards, receiving gold statuettes in three categories.



Alex Villas investors are successful entrepreneurs, top executives, bloggers, and public figures who are looking for profitable and reliable opportunities to grow their capital.



# WHY BALI?

#### **TOURIST FLOW**

Bali is one of the leading tourist destinations in Southeast Asia. In 2023, the tourist flow recovered and continues to grow, ensuring high demand for short-term rentals.

#### HIGH RENTAL INCOME

The rental yield for resort properties in Bali reaches 10-16% annually, which is significantly higher than in Europe or the US (3-6%).

## LOW ENTRY THRESHOLD

Investing in Bali requires lower capital compared to European resorts, making it accessible to a larger number of investors.

## STABLE PRICE GROWTH

Property prices increase by 5-10% annually due to high demand and limited land availability.

## HIGH DEMAND

Tourists and business travelers ensure up to 85% occupancy of properties throughout the year, especially in popular areas.



# **ENTRY STRATEGIES**

#### **PRESALE**

Participation at the earliest stages. This is the most profitable strategy in terms of cost, allowing the investor to acquire the property at the lowest price, with a subsequent increase in value as construction progresses.

### **CONSTRUCTION STAGE**

This strategy involves purchasing during the construction phase. Investors can also expect significant value appreciation as the construction nears completion, opening up additional opportunities for future resale.

## **READY PROPERTY**

An ideal strategy for quickly entering the rental market and generating immediate income.

ALEX VILLAS recommends an investment strategy with a 5-7 year horizon to maximize profits from price growth and stable rental income.

# TYPES OF PROPERTIES, ENTRY AMOUNTS, AND YIELDS

#### **APARTMENTS**

Ideal for short-term rentals, popular among tourists due to access to infrastructure and amenities: kitchen, bedroom, living room. Options include one-bedroom, two-bedroom, and three-bedroom units.

### \$70-90 PER DAY

Average rental income for onebedroom apartments

## FROM \$100,000

Entry amount (depends on the number of bedrooms)

#### **TOWNHOUSES**

Compact one-bedroom, two-story villas with a pool, ideal for guests who value privacy and comfort.

\$90-110 PER DAY

Average rental income

\$180,000-220,000

Entry amount

#### **VILLAS**

Luxury properties with a private pool, offering a high level of privacy and comfort. Perfect for tourists who prefer premium holidays.

\$180-280 PER DAY

Average rental income

FROM \$280,000

Entry amount for a twobedroom villa



17 RETURNS

Alex Villas offers an annual return of 10-16% in USD, based on proven analytics. Even during a crisis, such as the pandemic, the return from long-term rentals was 5.87%.

In our contracts, we guarantee a minimum return of 6%, ensuring stable income even with market fluctuations. Any earnings above this amount are your profit.

We avoid unrealistic promises of high returns, which may indicate a lack of experience. Our strategy is based on real data and years of successful experience, making our guarantees reliable and safe for investors.

MAIN SOURCES OF INCOME:	

MONTHLY RENTAL INCOME

INCOME FROM RESALE OF THE UNIT

# **FACTORS AFFECTING YIELD**

#### PROPERTY LOCATION

Popular tourist areas, such as Canggu and Uluwatu, offer higher yields.

### **PROPERTY TYPE**

Smart villas, apartments, and townhouses have different levels of yield depending on demand and price range.

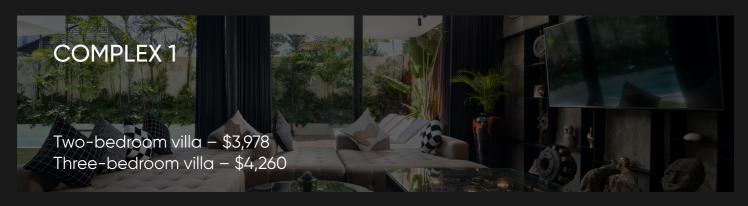
### PROPERTY MANAGEMENT

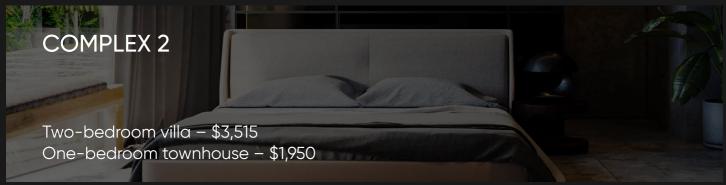
Professional management by Alex Villas ensures maintaining high returns.

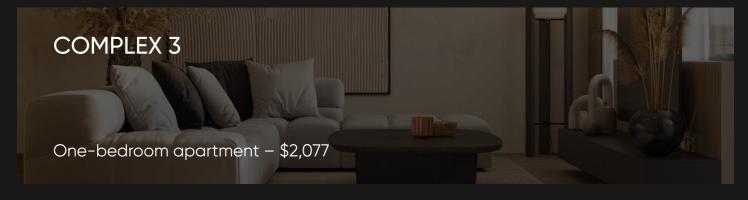
19 **RETURNS** In addition to rental income, you also benefit from capital appreciation. For example, if you invest during the construction phase, the projected value increase over 7 years is 59% for Complex 7 in Canggu and 65% for Complex 8 in Bukit. New complexes use a pool system, ensuring that income is distributed evenly among all investors, regardless of how often your unit is rented.

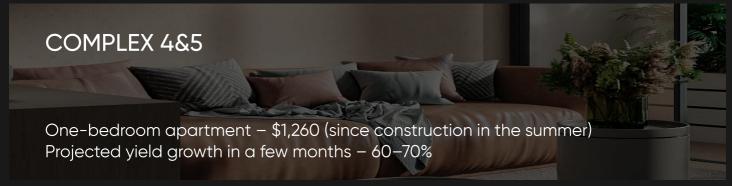
20 RETURNS

# EXAMPLES OF YIELD ON REAL ALEX VILLAS PROPERTIES



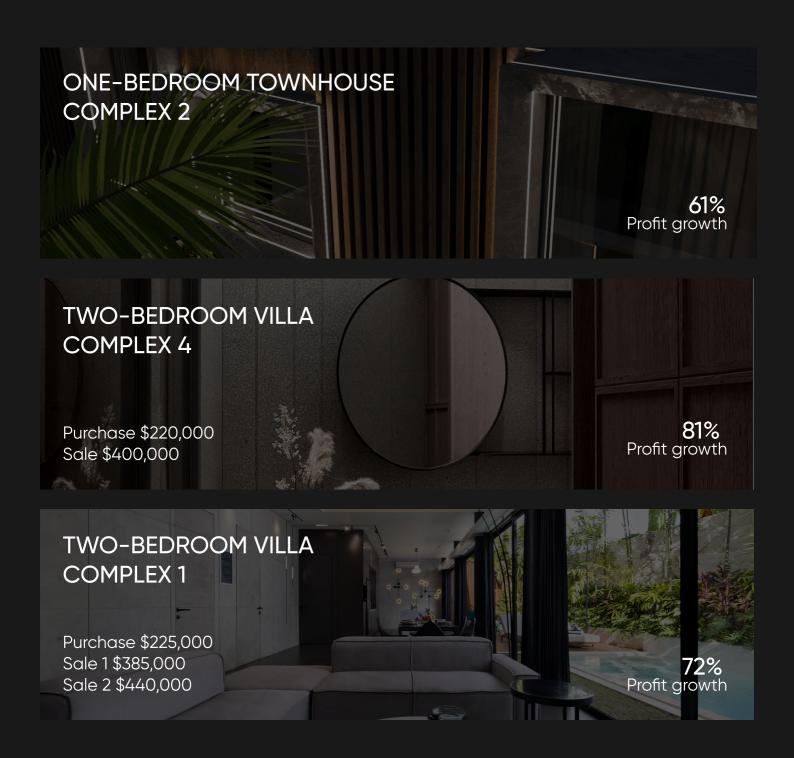






21 RETURNS

# EXAMPLES OF YIELD ON REAL ALEX VILLAS PROPERTIES



22

# **ACCORDING TO STATISTICS:**

The minimum profit from resale is +14%.

The maximum in the history of Alex Villas is +90%.

The average resale profit percentage is +45-60% of the unit's value.



Real estate investments for rental income pay off through rental payments, which cover the initial investment and generate profit. Key performance indicators are used to assess efficiency.

24 RETURNS

#### PAYBACK PERIOD

The payback period is the time required to fully recover the invested capital through net rental income. It is calculated by dividing the property's cost by the annual net rental income:



## RETURN ON INVESTMENT, ROI

It shows the percentage return on investment relative to the capital invested. It is calculated as the ratio of annual net rental income to the property cost, multiplied by 100%:

## **CAPITALIZATION RATE**

It reflects the ratio of net operating income to the property cost and is used to assess the property's profitability. It is calculated using the formula:



# IMPORTANT ASPECTS IN THE CALCULATION:

### **OPERATING EXPENSES:**

All costs related to property maintenance, including repairs, utilities, taxes, and insurance, should be considered.

### **VACANCY PERIODS:**

Possible periods when the property is not rented out reduce overall income.

#### **RENTAL RATE INDEXATION:**

Lease agreements may include annual rent increases, affecting profitability.

## **TAXATION:**

Taxes on rental income and property can significantly impact net profit.





In Bali, there are two main concepts: Leasehold and Freehold.

However, these terms are not part of Indonesian legislation – they were introduced by developers and brokers.

It is important to note that the extension of land rights is not guaranteed and depends on the decision of government authorities. Developers may offer schemes with long lease terms, but such contracts carry high legal risks.

## LEASEHOLD (HAK SEWA)

The right to lease property for approximately 30 years, with the possibility of an extension for another 30 years. This is the most common form for foreign buyers.

#### **FEATURES:**

An attempt to enter into a lease agreement for a term significantly longer than 30 years may be annulled by the court.

After the lease term ends, the built property reverts to the landowner's possession.

# FREEHOLD (HAK MILIK)

The right to unconditional land ownership, available only to Indonesian citizens.

### **FEATURES:**

Foreigners cannot directly own land but can use schemes with registered companies to purchase property under Hak Guna Bangunan (HGB) – the right to build.

Developers cannot guarantee the issuance of an HGB certificate, as this decision is made by the government authorities.

# FOREIGNERS CAN OBTAIN THE FOLLOWING PROPERTY RIGHTS:

## HAK GUNA BANGUNAN (HGB)

Through registered companies in Indonesia.

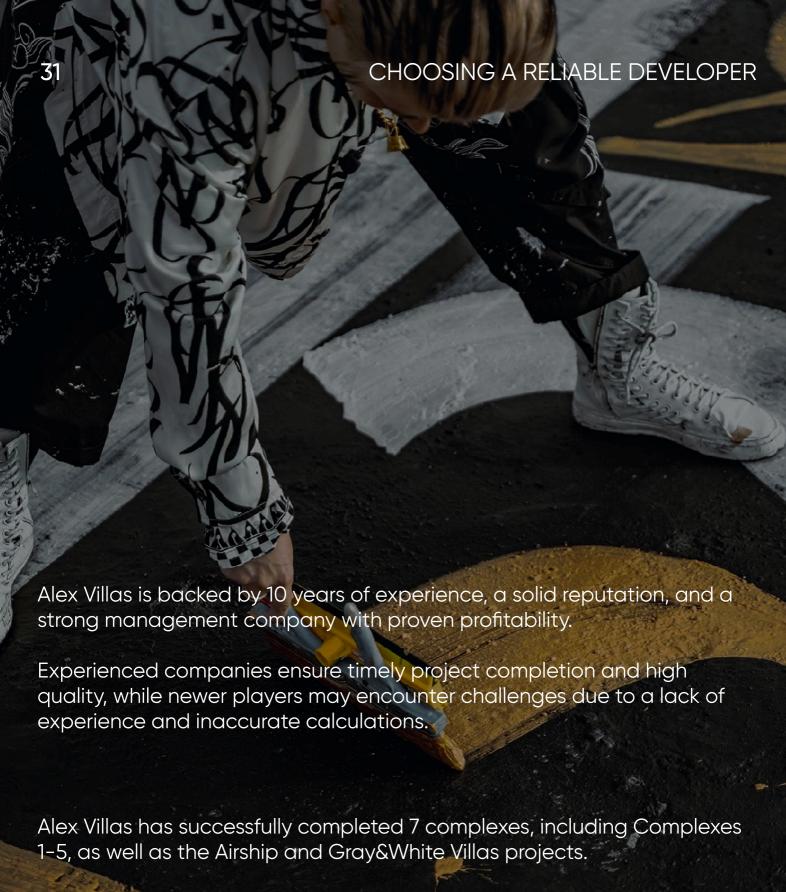
#### CERTIFICATE HAK MILIK SARSUN

For apartments and condominiums, but only if the land is state-owned or has HGB (Hak Guna Bangunan) rights.

The SHMSRS certificate on land with HGB rights is issued for a period not exceeding the validity of the HGB certificate—typically no more than 30 years—and requires a complex registration process.

It is important to note that the extension of land rights is not guaranteed and depends on the decision of government authorities. Developers may offer schemes with long lease terms, but such contracts carry high legal risks.





Additionally, two standalone properties – Legko and Villa Tibo – have been completed.

In total, 12,000 m<sup>2</sup> have been built (Complexes 1-5), with 40,000 m<sup>2</sup> currently under development (Complexes 7 and 8). Land for Complex 9 was purchased in the fall of 2024.





# **CANGGU**

A rapidly developing area with excellent infrastructure for comfortable living.

It is popular among tourists and expats, with restaurants, cafes, coworking spaces, and fitness clubs within walking distance. The beach is more suitable for sunset walks than for swimming.



# **ULUWATU**

A tourist area known for its beautiful beaches and great surfing waves. It has many shops, restaurants, and sports facilities.

Choosing the wrong location impacts profitability. In tourist areas, tourists will stay short-term, while in expat areas, rentals are long-term.

Building a complex in an expat area might not attract tourists, which could reduce the investor's income.



Alex Villas is a property management company specializing in comprehensive real estate management in Bali.

Since 2014, it has been helping property owners maximize their rental income with minimal involvement on their part.

#### PROPERTY PREPARATION

After construction is completed, the management company takes responsibility for the final preparation of the complex, including cleaning, decorating, and addressing any issues identified by test groups.

#### SALES AND PROMOTION

The management company promotes the properties on popular booking platforms such as Airbnb, Booking.com, Agoda, and others. It also manages social media accounts to attract potential guests.

#### **QUALITY ASSURANCE**

The management company ensures that all systems on the property are functioning properly, addresses any operational issues (such as with air conditioners or the smart home system), and takes guest feedback into account to improve the conditions.

#### **REVENUE SUPPORT**

The company works on attracting bookings and increasing property profitability by ensuring visibility and attractiveness to guests.

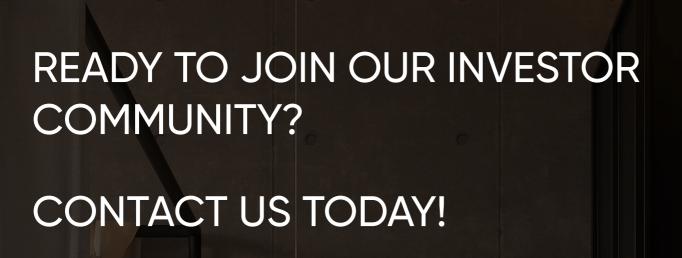
# THE ROLE OF THE MANAGEMENT COMPANY

The advantage of the Alex Villas management company is that it handles all aspects of property management:

- rental
- check-ins
- bill payments
- property maintenance

This frees the investor from daily concerns. Additionally, the company has experience managing properties during crises, ensuring stability and reliability for investors.

Investors receive regular reports and payments without spending time managing the property themselves.



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