

# How to Buy Property in Indonesia

HIGH-ROI OPPORTUNITIES FOR FOREIGN INVESTORS

# How to Buy Property in Indonesia

**Your essential guide to owning or  
leasing property legally and securely.**

Welcome to your definitive guide on how to buy property in Indonesia. Whether you're looking for a personal residence, a vacation villa, or an investment property, understanding the legal landscape is key. This brochure outlines your options, including leasehold, freehold through a PMA structure, and the safe legal steps to purchase.

***Let's demystify the process so you can invest with confidence.***



# Understanding Ownership Options

**Foreigners can legally own or control property in Indonesia—but knowing the difference between leasehold and freehold is essential.**

## WHICH IS BETTER?

While leasehold is more affordable and accessible, especially for entry-level investors, many seasoned investors prefer freehold via PMA for its long-term upside. A common rule of thumb: if a freehold title is within 50% of the leasehold value for a 20-year term, freehold is usually the smarter investment. This allows for stronger rental income potential and better capital growth over time.

## SO CAN FOREIGNERS BUY FREEHOLD?

Yes—indirectly, through a PMA company structure. This is completely legal and widely used. Let's explore how that works.



### LEASEHOLD (HAK SEWA)

#### LONG-TERM RENTAL AGREEMENT (USUALLY 25–30 YEARS, OFTEN WITH EXTENSION OPTIONS)

- Most common method for foreigners
- Allows exclusive rights to use the property
- Lower entry cost compared to freehold
- Can be more accessible for lifestyle buyers or investors with limited capital
- Ideal for short- to medium-term ownership or those wanting flexibility



### FREEHOLD (HAK MILIK VIA PMA)

#### FULL LAND OWNERSHIP—ONLY AVAILABLE DIRECTLY TO INDONESIAN CITIZENS

- Foreigners can access full control via a PMA structure (see next page)
- Most secure and permanent form of ownership
- Offers long-term capital gains and property appreciation
- Better rental returns and exit strategy potential

# Buying Freehold Through a PMA Structure

## WHAT IS A PMA?

A PMA (Penanaman Modal Asing) is a foreign-owned company registered in Indonesia. It can legally acquire land under the title Hak Guna Bangunan (Right to Build), which is a long-term and renewable title equivalent to freehold use.

## Is It Safe?

Yes. When done with professional legal support, PMA ownership is secure and recognized by Indonesian law. Thousands of foreign investors use this structure to own villas, resorts, and investment properties.

## REQUIREMENTS

- Minimum investment commitment (as per BKPM regulation)
- A legitimate business activity (e.g., hospitality, property rental)
- Annual reporting and compliance as a legal entity



### STEP 1

Engage a legal advisor or notary to set up a PMA company



### STEP 2

Register the PMA with Indonesia's Investment Board (BKPM)



### STEP 3

Purchase property under the PMA's name



### STEP 4

Use the property for business, rental, or private purposes



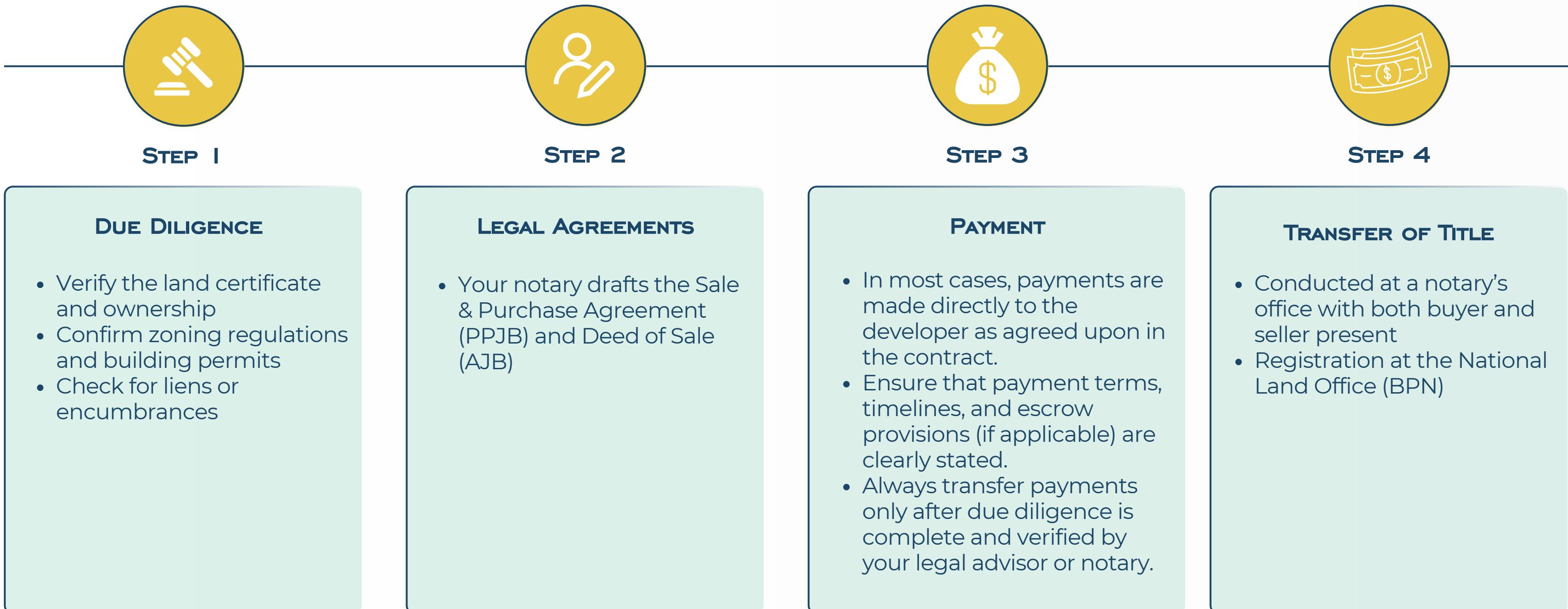
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# Legal Process & Lawyer's Advice

The Legal Steps to Purchasing Property in Indonesia





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