

Indonesian Property Market Outlook 2025

HIGH-ROI OPPORTUNITIES FOR FOREIGN INVESTORS

Executive Summary

Indonesia's real estate market in 2025 presents one of the most attractive opportunities in Asia for foreign investors offering a rare blend of high rental yields, long-term capital appreciation, lifestyle appeal, and legal structures that now support safe ownership.

With the economy rebounding strongly post-pandemic, tourism surging, and national infrastructure being modernized at scale, Indonesia is undergoing a strategic transformation that is unlocking value across its property markets. From luxury villas in Bali to development-ready beachfront land in Lombok, and commercial hubs in Java, investors are gaining access to markets that were either previously untapped or underpriced.



This report presents



A macroeconomic snapshot of Indonesia's **5%+ GDP growth** outlook



A breakdown of real estate performance across **residential, commercial, and hospitality** sectors



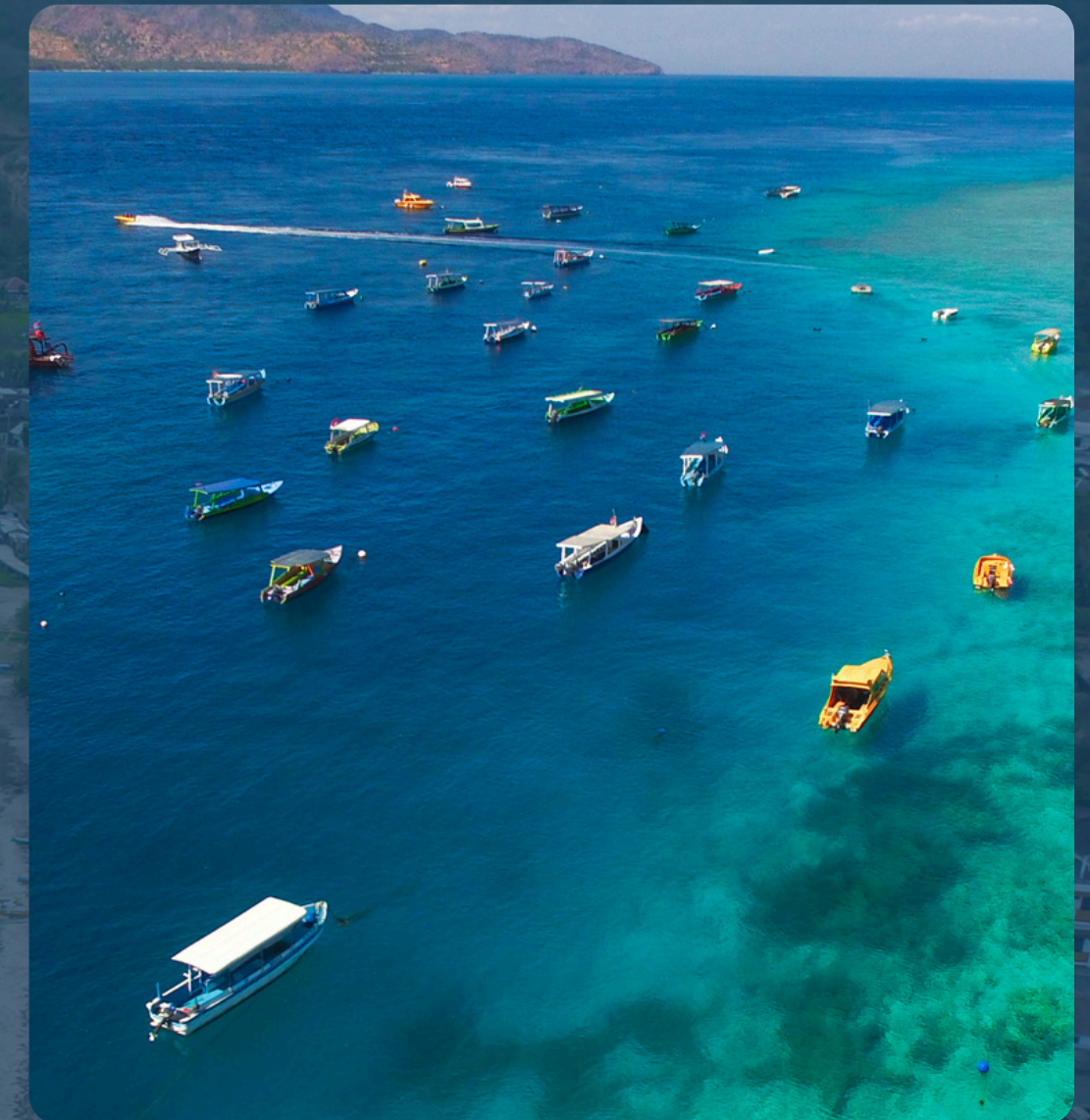
In depth regional analysis of **Bali, Lombok, Flores (Labuan Bajo), and Java,**



An update on legal and ownership structures enabling **foreign property rights** and



A view into Indonesia's positioning as a **hybrid investment and relocation destination.**



Rental yields of 6–10% are already being recorded in key markets, with Lombok now achieving **20–30% annually** in specific tourism zones. Legal reforms such as the PT PMA (foreign investment company) and Hak Pakai allow for 25–80 years of ownership. And with the introduction of the Second Home Visa and international marketing of key destinations like Mandalika and Labuan Bajo, Indonesia is making a calculated push toward attracting both capital and lifestyle buyers. This report is designed to guide private investors, real estate agencies, and strategic buyers through Indonesia's evolving landscape — with a focus on **high ROI, long-term potential, and intelligent diversification**




01.

Indonesia's Macro Environment & Investment Climate

Strong Economic Fundamentals

Indonesia is the **largest economy in Southeast Asia**, with a GDP exceeding **\$1.2 trillion** and a population of over 275 million. According to the World Bank, Indonesia is projected to sustain **~5% annual GDP growth through 2025**, making it one of the most resilient post-pandemic economies in the region

THE DRIVERS BEHIND THIS GROWTH INCLUDE:

-  Rising domestic consumption from a growing middle class
-  Strong foreign direct investment (FDI) across infrastructure, tech, and tourism
-  A government focused on decentralization, equitable development, and building regional hubs.

Inflation remains moderate at around **3%**, while the central bank has maintained policy flexibility. Indonesia retains **investment-grade credit ratings** from global agencies and has maintained monetary stability through global turbulence. These fundamentals provide a stable backdrop for long-term property investment.





Tourism Recover and Expansion

Indonesia's tourism industry is booming back to life, with foreign arrivals surging after COVID-era restrictions. In 2019, the country welcomed 16.1 million foreign visitors, that number dropped in 2020–2021 but rebounded to 11.7 million by 2023, with expectations of surpassing 13 million in 2024.

While Bali remains the flagship destination, drawing over 6 million tourists annually, the government is diversifying national tourism under the “10 New Balis” initiative — now focused on 5 Super Priority Destinations:

THE DRIVERS BEHIND THIS GROWTH INCLUDE:

- Mandalika (Lombok)
- Labuan Bajo (Flores)
- Borobudur (Java)
- Lake Toba (Sumatra)
- Likupang (North Sulawesi)

These regions are receiving massive infrastructure investments, including airports, marinas, roads, and utility networks.

Tourism Recovery And Expansion

Example: Labuan Bajo received 470,000 foreign visitors in 2023 (up 60% year-on-year) and is targeting 500,000+ in 2024. [\[Expat Life Indonesia\]](#)

THIS TOURISM SURGE DIRECTLY SUPPORTS DEMAND FOR:

- Villas and holiday homes
- Boutique resorts and eco-lodge
- Commercial services (retail, F&B, transport)

Bali is implementing a **tourism sustainability strategy**, including a new visitor levy (US\$10 per person) and stricter behavior guidelines to manage overcrowding — highlighting the growing maturity of the tourism sector. [\[Oxford Business Group\]](#)





Infrastructure as a Catalyst

While outside the focus regions of this report, Nusantara represents a national development blueprint and a clear signal to international markets that Indonesia is investing in long-term transformation.

INDONESIA'S INFRASTRUCTURE ROLLOUT IS A CENTRAL PILLAR OF ITS REAL ESTATE GROWTH. MAJOR NATIONAL PROJECTS INCLUDE:

- Jakarta-Bandung high-speed rail (inaugurated in 2023) ([Bloomberg](#))
- Komodo Airport expansion (Labuan Bajo)
- Yogyakarta International Airport
- Trans-Java and Trans-Sumatra expressways

INDONESIA'S BOLDEST PROJECT IS THE CONSTRUCTION OF ITS NEW CAPITAL, NUSANTARA, IN EAST KALIMANTAN:

- US\$34 billion budget
 - Smart-city development model
 - Full relocation of national government from Jakarta by 2045
 - Open to private and foreign investors under special economic zone incentives
- ([The Diplomat](#))

Investment Climate & Reforms

INDONESIA'S PROPERTY INVESTMENT CLIMATE HAS SEEN MARKED IMPROVEMENT OVER THE LAST FIVE YEARS:



The 2020 **Omnibus Law** on Job Creation simplified land ownership and company registration for foreign investors



Regulations now allow foreign ownership of strata-title condos in designated zones



Legal vehicles such as PMA companies and **Hak Guna Bangunan (HGB)** provide secure long-term tenure and control



Visa programs (e.g., the **Second Home Visa**) are attracting higher-spending expats, retirees, and digital nomads

20%

withholding tax on rental income (non-resident)

20%

luxury tax on high-value properties

50%

capital gains tax (flat rate)

10%

VAT on rental services

Despite the relatively high tax on rental income, low transaction costs, simplified ownership structures, and asset appreciation are encouraging investors to enter the market — particularly in emerging tourism zones where yields remain high and competition is limited.

02.
Market-Wide
Real Estate
Trends and ROI



High Rental Yields

INDONESIA OFFERS AMONG THE MOST COMPETITIVE GROSS RENTAL YIELDS IN ASIA, ESPECIALLY IN TOURISM-DRIVEN REGIONS. AS OF LATE 2024:



SURABAYA 7.2%

Indonesia's second-largest city yields 7.2%



BALI & LOMBOK 8-12%

Villas in tourist hotspots (e.g. Canggu, Ubud, Uluwatu, Kuta Mandalika) report **8-12%** returns with professional management



JAKARTA: 7-9%

Yields for mid-to-high-end apartments average **7-9%** reaching up to 10% in central locations with [Global Property Guide]



LOMBOK (WEST/SOUTH LOMBOK) 20-30%

In areas near Mandalika and the Gili Islands, **off-plan villas and boutique resorts are achieving gross rental yields**, thanks to low build costs and high occupancy from inbound tourism

THESE YIELDS FAR EXCEED REGIONAL BENCHMARKS:

~3%

Singapore (prime condos)

~5-6%

Phnom Penh or Kuala Lumpur

~4-5%

Bangkok

High Rental Yields

THIS PERFORMANCE IS ENABLED BY:



Indonesia's year-round tourism season, providing consistent occupancy



Lower land and construction costs than peer markets



A lack of centralized platforms in many zones, allowing well-positioned listings to capture outsized demand

Case in Point: A 2-bedroom villa near Kuta Mandalika, developed at under \$180,000 and generating ~\$28,000/year in bookings, yields a **15.5% net return**, with upside via Airbnb optimization.

Indonesia's villa segment is especially favorable, as properties are often dual-purpose: part investment, part lifestyle/holiday residence.

Capital Appreciation & Land Value Trends

WHILE YIELDS ARE STRONG, CAPITAL APPRECIATION HAS VARIED
ACROSS REGIONS AND PROPERTY TYPES. NATIONALLY:

2016–2023 residential price increase:

+ 15.8%

2016–2023 residential price increase:

-5.8%

[Global Property Guide]

HOWEVER, THIS NATIONAL FIGURE MASKS HIGH-GROWTH HOTSPOTS.



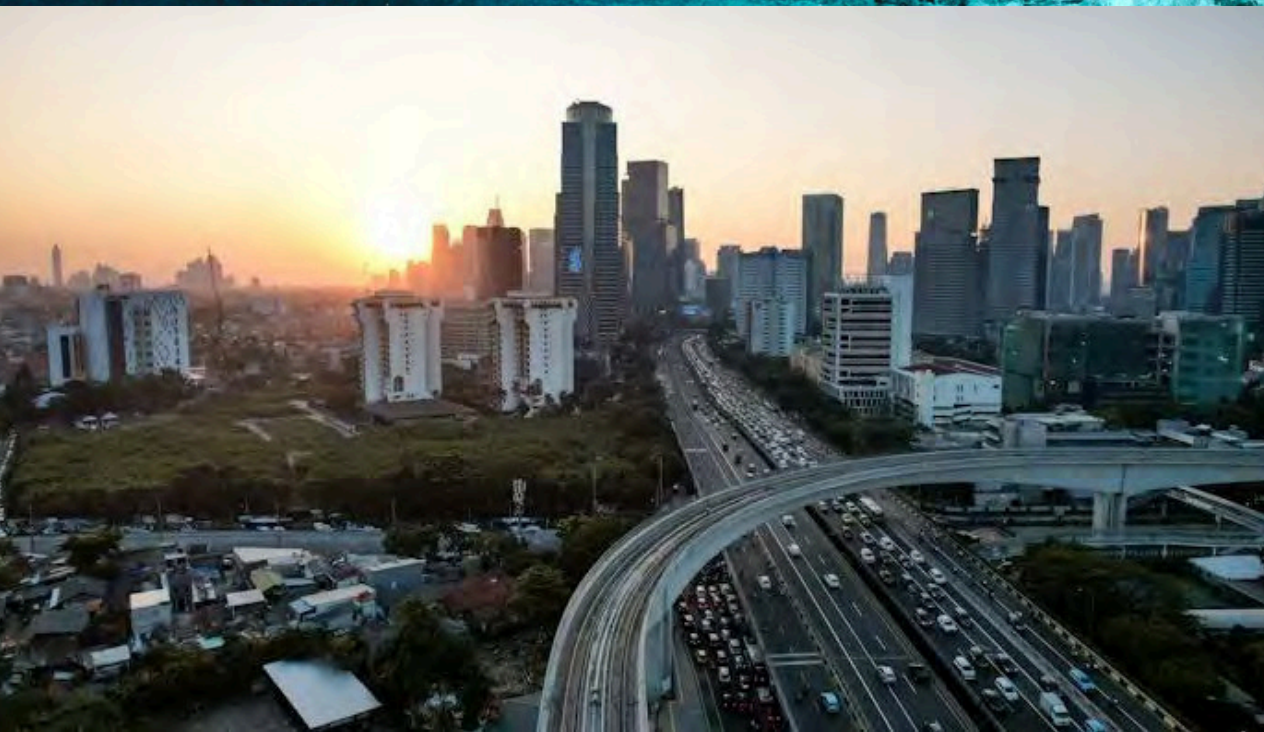
BALI

- **Canggu, Uluwatu, Seminyak:** Villa and land prices have **doubled** over the last decade
- Limited land supply + zoning restrictions have intensified scarcity
- Property in high-traffic tourist zones typically appreciates **6–10% per year**



LOMBOK

- Pre-infrastructure prices (2016–2020): ~\$100–200/m² in undeveloped area
- Post-Mandalika SEZ activation: now seeing **4–6x land** value growth in some beach-adjacent plot
- **West Lombok:** Fewer flight-path restrictions (enabling high-rise construction), untapped beaches with deep ocean views, masterplanned infrastructure upgrades



JAVA

- Apartment price growth has been subdued due to oversupply
- However, transit-oriented zones (MRT/LRT corridors) and mixed-use clusters show 4–6% annualized price appreciation
- Commercial plots, especially near industrial estates or ports (e.g. in Surabaya), have seen solid growth due to logistics demand

Property Types **in Demand**



Residential & Villas



LUXURY VILLAS & HOMES

Especially in Bali, Lombok, and Flores, used for short-term rental income and long-stay expats



URBAN APARTMENTS

Jakarta and Surabaya, favored by professionals and investors seeking liquidity



INTEGRATED VILLA RESORTS

Managed and branded clusters with in-house cleaning, concierge, and marketing



Commercial: Office & Retail



HIGH VACANCY

Jakarta's office market still faces high vacancy (~20–25%)



TENANT INCENTIVES

Tenant incentives and flexible lease terms provide opportunity for corporate buyers entering the market



POST PANDEMIC REBOUND

Retail and lifestyle centers are rebounding post-pandemic, especially in tourism-heavy zones

Property Types **in Demand**



Residential & Villas



Government backing for SEZs like Mandalika (Lombok), Labuan Bajo (Flores), and Likupang (North Sulawesi) has triggered a new wave of hotel investment



ROOM RATES AND OCCUPANCY ARE RISING:

- Bali: 65–80% occupancy year-round
- Lombok: High-season (Oct–Mar) often exceeds 90%



Niche projects like surf lodges, eco-retreats, and digital nomad co-living resorts are emerging with strong booking traction



Commercial: Office & Retail



EDUCATION-FOCUSED REAL ESTATE

Bali's Green School and similar models in Lombok and Yogyakarta



MEDICAL CLINICS & WELLNESS CENTERS

Popular with relocating expats



CREATIVE-USE SPACES

Art galleries, yoga studios, wellness campuses integrated into residential/resort zones

Strategic Takeaway

**INDONESIA IS NOT JUST A SHORT-TERM RENTAL
PLAY — IT OFFERS LAYERED VALUE OPPORTUNITIES:**

 Rental Income

 Land Banking

 Capital appreciation from public/private investment And lifestyle-based

 And lifestyle-based relocation appeal

While Bali is saturated in some areas, Lombok, Flores, and Central Java offer land and development access at a fraction of the cost, with government-aligned upside.



03.
Regional
Spotlights





Bali

MATURE RESORT MARKET
& EXPAT LIFESTYLE HUB

Bali

Bali remains the beating heart of Indonesia’s tourism economy. Known as the “Island of the Gods,” it continues to attract **millions of foreign tourists and a steady stream of remote professionals, retirees, and wellness travelers.** The southern coastline — from Seminyak to Canggu and Uluwatu — remains the epicenter of villa development, nightlife, and hospitality.

2023 TOURIST NUMBERS

Bali welcomed nearly 6 million international visitors pre-pandemic, and by late 2024, arrivals had recovered to almost 2019 levels [Antara News]

PROPERTY TYPES & RETURNS

Short-term rental villas: In zones like Canggu, Ubud, and Bingin, nightly rates average USD \$200–400 for 2–3-bedroom units

High-end residences: Purchased by long-stay digital nomads or retirees (especially under the Second Home Visa)

Boutique hotels: With strong repeat occupancy from wellness tourism and surf culture



Bali

YIELDS

8-10%

Annually

Professionally managed properties commonly deliver **8-10% returns**

annually, with some smaller boutique villas exceeding 12% during peak seasons.

CONSTRAIN & RISKS

Height restrictions: No high-rise buildings permitted in most of Bali (maximum 15 meters)

Infrastructure overload: Roads, waste management, and water supply in southern Bali are under growing strain

Zoning fragmentation: Certain subdistricts have overlapping land use regulations, requiring due diligence

OPPORTUNITIES

The government is incentivizing development in **North and West Bali**, with long-term plans for a second airport and better distribution of tourist traffic

Potential to capitalize on **sustainable tourism trends** — eco-villas, yoga retreats, permaculture communities





Lombok

RISING STAR WITH
EXCEPTIONAL ROI

Lombok

Located just east of Bali, Lombok is now being touted as “the next Bali” — but with **cleaner planning, more space, and government-aligned growth zones**. It offers stunning beaches, world-class surfing (Desert Point is globally renowned), and cultural authenticity tied to its Sasak roots.

PROPERTY TYPES & RETURNS

- Mandalika Special Economic Zone (SEZ)
- MotoGP circuit, now a global event draw
- Lombok International Airport (with direct flights to Singapore & Kuala Lumpur)
- New bypass highways connecting Kuta Mandalika, the airport, and southern coastlines

TOURISM STRATEGY

The Indonesian government has made Mandalika a centerpiece of its tourism diversification effort. Hotel chains, eco-resorts, and branded villa communities are being built alongside racetrack infrastructure, a 5-star marina, and public amenities. [\[Oxford Business Group\]](#)



Lombok

INVESTMENT RETURNS

Lombok is currently producing some of the highest property returns in Indonesia:

- In south and central areas, yields of **10–15%** on modest villas are common
- In **West Lombok** (Tanjung, Senggigi, and parts of Sekotong), where there are **no fly-over restrictions**, developers are now launching **mid-rise and high-rise projects** with ocean views — an opportunity unavailable in Bali
- Land banking and early-stage resort investors are achieving capital appreciation of **100–300%** in 3–5 year horizons

EXAMPLE

A 3-bedroom villa built for USD \$130,000 in 2021, 400m from Kuta beach, now achieves ~USD \$30,000/year in bookings — **23% gross yield**

Oceanview land in West Lombok (USD \$150/m² in 2020) now sells for **\$400–600/m²**, with strong interest from Singaporean and UAE-backed developers

LIFESTYLE & DIFERRENTIATION

- ✓ More peaceful and low-density than Bali
- ✓ Popular among adventure travelers, surfers, and families looking for privacy and space
- ✓ Increasing appeal for digital nomads wanting a less commercialized, yet connected destination

FORECAST

Over the next 5–7 years, Lombok is positioned to become the leading high- growth tourism and residential investment

zone in Indonesia. West Lombok, in particular, offers a rare chance to develop vertical products (condos, branded residences, hotels) — something simply not possible in Bali’s regulatory landscape.



Flores (Labuan Bajo)

ECO-LUXURY GATEWAY WITH
EARLY ENTRY ADVANTAGE

Flores (Labuan Bajo)

Once a quiet fishing town, **Labuan Bajo** is now the launch point for luxury travel to **Komodo National Park**, a UNESCO World Heritage Site. Backed by national branding and rapid upgrades, it's Indonesia's **flagship eco-tourism frontier**.

UPGRADES INCLUDE

- Komodo Airport terminal and runway expansion
- Coastal marina and harbor revitalization
- Road widening and tourist zoning protections
- Hosting of ASEAN 2023 Summit to increase global exposure

[[Oxford Business Group](#)]

2023 TOURIST VOLUME

470,000 visitors (up 60% YoY), targeting 500,000+ in 2024 [[Expat Life Indonesia](#)]



Flores (Labuan Bajo)

YIELDS

8-10%

Annually

While rental performance is still stabilizing, **8–10% is achievable** on small-scale properties (e.g. bungalows, guesthouses, boat tour operations). Major hospitality players are entering via joint ventures and PMA-backed land leases.

MARKET CHARACTERISTIC

Land prices remain significantly below Bali and Lombok (USD \$50–150/m² in some waterfront or hilltop areas)

Strong demand for **sustainably built eco-resorts**, boutique villas, diving lodges, and private marinas

Still a frontier market — investors must plan for slower liquidity, longer ROI cycles

INVESTOR CONSIDERATION:

- Foreigners must structure ownership via PMA companies in national park buffer zones
- Properties focused on eco-conscious, low-impact tourism are more likely to receive permit approval
- ROI improves with integration into high-end packages (e.g., diving + yacht tours)



Flores (Labuan Bajo)

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An aerial night view of Jakarta, Indonesia, featuring a complex multi-level highway interchange in the foreground with light trails from traffic. In the background, the city skyline is visible with several illuminated skyscrapers against a dark blue twilight sky.

Java (Jakarta & Beyond)

URBAN, COMMERCIAL & CULTURAL STRONGHOLD

Java is Indonesia's political, financial, and demographic core. It houses over 150 million people, including the capital, Jakarta, and rising metros like Bandung, Yogyakarta, and Surabaya.

Jakarta

- Among the top 5 most populated urban areas globally, with 33 million people in the metro zone [\[World Population Overview\]](#)
- Headquarters for banking, multinational firms, tech, and logistics Features a skyline of luxury condominiums,
- Grade A offices, and premium retail

FAMOUS BUILDINGS:



Gama Tower (285 meters):
Tallest building in Indonesia



Treasury Tower, The Peak Sudirman, and Menara
Astra define the SCBD business district skyline



New MRT/LRT lines are increasing real
estate values along transit corridors



Jakarta

4-5%

Apartments

**4–5%, with potential uplift
as rental market
rebounds**

6-8%

Retail

**High-traffic units can
reach 6–8%, especially in
mixed-use projects**

SOFT

Office

Currently soft, but tenant
incentives are creating
buyer leverage

JAKARTA PROPERTY TYPES



Strata title apartments for foreigners (via Hak Pakai or new regulations under Job Creation Law)



Commercial office floors or co-working spaces



Retail and lifestyle malls seeing recovery as consumer spending rebounds



Other Java Hotspots:

SURABAYA



Indonesia's second city and major port



Strong manufacturing base and industrial real estate plays



Apartment yields often exceed **7%**, thanks to low price base and strong demand

YOGYAKARTA & BOROBUDUR CORRIDOR



Home to Indonesia's top cultural tourism assets



Growing hotel development tied to new airport



Potential for **boutique religious, wellness, or art-focused resorts**



04.

Foreign Ownership Regulations & Legal Structures

Foreign Ownership Regulations & Legal Structures

For decades, investing in Indonesian property as a foreigner was limited by legal restrictions. However, since 2020, a wave of reforms has opened new avenues for safe, long-term investment, provided the correct structure is used.

This section outlines the five key ownership options for foreigners and details the current legal environment, including recent changes to the Job Creation Law (Omnibus Law) and special economic zones (SEZs).

01. Leasehold Agreements (Hak Sewa)

This is the most commonly used method for non-residents purchasing villas or land.

A foreigner enters into a long-term lease agreement with an Indonesian landowner, typically structured as:

25-30 YEARS

Initial Term

- Optional extensions of 20–30 years (e.g., 25+25, 30+20+20)
- Legal and registrable at the land office
- Often includes clauses allowing renewal at market rate

PROS:

- Fast and cost-effective X
- No need to set up a company X
- Fully legal and transferable
- under notarial agreement

CONS:

- Technically a depreciating asset X
- Requires trust in the landowner for lease
- extensions unless pre-agreed X
- Not recognized as full ownership under Indonesian law

COMMON USE:

This structure is widely used in Bali and Lombok for villas marketed to foreign buyers who prefer simplicity and short-to-medium-term investments

02 . Hak Pakai (Right-to-Use Title)

The Hak Pakai is a state-issued, certificate-backed right to use land or property, issued specifically to foreign individuals residing in Indonesia.

UPDATED 2021 RULES

(UNDER GOVERNMENT REGULATION No. 18/2021):

- Ownership duration: **Initial 30 years**, renewable for **20 + 30 years**
- Maximum: **80 years** of documented, state-approved tenure
- Can be used for **residential homes and apartments**
- Foreigners **no longer need KITAS or KITAP** (temporary or permanent residency permits) — a valid **passport and visa is sufficient**

IMPORTANT NOTES:

- Can be sold to another eligible foreigner
- Must be used (i.e., cannot be left empty indefinitely)
- The right is registered on the land certificate — giving it much stronger security than leasehold

USE CASE:

Ideal for those **relocating to Indonesia**, especially retirees or expats looking to live in the property. It is commonly used in **Jakarta** for apartments and in **Bali** for second homes.

03. PT PMA & Hak Guna Bangunan (HGB Right to-Build Title)

The **PT PMA (Perseroan Terbatas Penanaman Modal Asing)** is a foreign-owned limited liability company. Through this company, a foreigner can legally hold title to land and buildings under the Hak Guna Bangunan (HGB) system.

HOW IT WORKS

- The foreign investor creates a PMA, which is considered an Indonesian entity
- The PMA applies for **HGB title**, which grants control for **30 years**, renewable for **20 + 30 years** (similar to Hak Pakai)
- HGB allows for commercial, residential, or mixed-use development

ADVANTAGES

- Full legal control of the property
- Eligible to apply for construction permits, business licenses, and even loans
- Ideal for **income-generating** property (e.g. resorts, villa estates, hotels, retail centers)

REQUIREMENTS:

- Paid-in capital (typically around **IDR 10 billion**, or USD \$650,000 — depending on the sector)
- Quarterly reporting to BKPM (Indonesia's investment authority)
- 0.5% tax rate for the first 3 years, for revenue up to 4.8 billion IDR and 22% on any profits afterwards.

USE CASE:

This is the preferred structure for foreign investors developing land, building resorts, launching hospitality or co-living concepts, or investing in large-scale commercial or residential projects.

Important: As of 2023, the Indonesian government has started allowing foreigners under PMA to apply for bank financing and local mortgages, further increasing flexibility. [Global Property Guide]

04. Strata Title Ownership in Designated Zones

Historically, foreigners could only access strata-title apartments via Hak Pakai, but **regulatory changes under the Job Creation Law** now allow direct ownership of strata-title condominium units in certain zones:



Designated tourism areas



Economic/industrial parks



Free trade zones

USE CASE:

Perfect for buyers seeking low-maintenance, legally titled apartments in cities like Jakarta, Surabaya, or Bali's integrated resort zones. Not suitable for land ownership, but simplifies condominium investments.

CONDITIONS

- Minimum purchase values set by region (e.g., USD ~\$150,000 in Jakarta, ~\$100,000 in Bali)
- Foreigners must be **non-residents with legal funds from offshore**
- Buildings must be approved for foreign sale (not all developers allow this)

05. Nominee Agreements (Now Illegal)

In the past, some foreigners used **nominee structures** — placing property in the name of an Indonesian citizen and signing a side agreement. This carried significant legal risk and offered **no enforceable protections**.

✗ Now Illegal

Legal advice is unanimous: Avoid nominee arrangements in 2025.
Use a licensed PMA or leasehold structure with full documentation.

Regulatory Trend A Market Opening Up

The overarching legal trend is favorable to foreigners.
Indonesia is moving from restriction to regulation:

- ✓ PMA entities now streamlined
- ✓ Mortgage access and capital repatriation are being modernized
- ✓ Long-term visa options (Second Home Visa, Golden Visa) complement ownership models

The government has explicitly stated that **foreign property investment is part of its national economic stimulus plan**, especially in tourism zones like Mandalika, Labuan Bajo, and Likupang.

Tax Summary for Foreign Investors

Tax Type	Rate	Notes
Rental Income	20%	Final withholding tax for non-residents
Capital Gains	5%	Flat rate
VAT On Rentals	10%	Applies to furnished or short-term rentals
Corporate Income Tax (PMA)	22%	But can deduct expenses
Luxury Tax (PPnBM)	20%	Applies on very high-value sales

Real Example: Structuring a Project in Lombok

LET'S SAY YOU WANT TO DEVELOP 5 BEACHFRONT VILLAS NEAR KUTA MANDALIKA:

- You form a PT PMA company in Bali or NTB
- You purchase land under HGB title via the company
- You apply for a PBG before building
- You submit an SLF after building
- You rent them on a nightly basis, collecting income through the company
- You pay the required tax.

RESULT

Legal control, high-yield income, capital gains, and long-term tenure in one of Indonesia's fastest-growing regions.



05.

Conclusion & Strategic Recommendations

Conclusion & Strategic Recommendations

Indonesia's property market in 2025 stands as one of the most compelling opportunities in Asia for yield-driven investors, global nomads, developers, and relocation-minded buyers. What once required legal gymnastics and uncertain structuring is now evolving into a **transparent, scalable, and ROI-rich investment environment**.

With a **5%+ annual GDP growth trajectory**, booming **inbound tourism**, and **government-backed infrastructure rollouts** reshaping everything from remote islands to megacities, the landscape is no longer just about Bali — it's a **multi-regional, multi-asset class opportunity**.



Key Reasons to Invest in Indonesia Now



HIGH YIELDS IN TOURISM ZONES

Rental yields in Bali, Lombok, Flores, and even parts of Surabaya and Jakarta consistently outperform regional averages.

- Bali villas: 8–10%+ m
- Lombok beachfront assets: 15–30%, especially in West Lombok
- Jakarta apartments: 4–5%, with upside from MRT development



CAPITAL APPRECIATION & LAND PLAY

New infrastructure = new value

- R Land near Mandalika, Labuan Bajo, and Likupang has appreciated **200–300% in 5 years**
- Java's emerging MRT-linked suburbs offer longer-term upside
- R West Lombok's zoning flexibility (permitting high-rise development) unlocks vertical yield potential, rare in coastal Asia



EASED OWNERSHIP LAWS & TAX CLARITY

Foreigners now have multiple clear options:

- Hak Pakai (for personal use)
- Leasehold (for simplicity)
- PMA companies with HGB title (for developers and investors) m
- R Strata-title in approved zones (for condo buyers)

Key Reasons to Invest in Indonesia Now



DIVERSIFICATION & RISK MANAGEMENT

Indonesia is a large, decentralized nation. That means not all eggs are in one basket:

- I Resort markets (Bali, Lombok, Flores) are tourism-dependent
- Urban markets (Jakarta, Surabaya) are driven by domestic economy
- Cultural hubs (Yogyakarta, Solo) provide education and heritage tourism plays

A smart portfolio may include:

- A Bali villa for short-term income
- A landbank in West Lombok for future development
- A strata-title condo in Jakarta for capital security

Combined with:

- Flat 5% capital gains tax
- Legal profit repatriation routes
- Access to bank financing for foreign-owned companies

...Indonesia is now structurally investable.



LIFESTYLE INTEGRATION

Indonesia is not just a numbers play
it's a lifestyle decision

- Year-round tropical climate
- Surf, diving, yoga, food, culture
- World-class expat communities (Bali, Lombok, Jakarta, Ubud)
- Second Home Visas and long-term stay options
- Property ownership here offers not just ROI, but life ROI

Final Word: Invest in the Story, Not Just the Property

Indonesia is not a speculative market. It is a **maturing, large-scale economy** with the demographics, policy, and lifestyle factors to support real estate investment for the next **10–20 years**.

YES, THERE ARE STILL CHALLENGES:

- Bureaucracy in permits
- Zoning inconsistencies in some regions
- Underdeveloped data in frontier zones like Flores

But the trajectory is clear: Indonesia is on the rise, and for those who move early, the upside is exponential.



Tax Summary for Foreign Investors

Tax Type	Recommended Region (s)	Asset Type	Rationale
Cashflow Yield	Lombok (West/South), Bali	Villas, Eco-Resorts	10–30% rental yields; low OPEX
Land Banking	West Lombok, Labuan Bajo	Beachfront land	Up to 5x gains in 3–7 years
Capital Preservation	Jakarta, Surabaya	Strata title condos	Stable rental + resale liquidity
Hybrid Lifestyle + ROI	Bali, Lombok, Ubud	Owner occupier villas	Use + income when not in residence
Developer Plays	Lombok SEZ, Flores, Surabaya	PMA-based developments	High margin resale or resort product

Sources & References

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- **The Diplomat** <https://thediplomat.com/2023/03/indonesia-unveils-incentives-for-investors-in-new-capital-citk>
- **Bloomberg** <https://www.bloomberg.com/opinion/features/2022-12-06/indonesia-s-new-capital-34-billion-boondoggle-or-game-change<>
- **Colliers Indonesia** <https://www.colliers.com/en-id/research/colliers-quarterly-property-market-report-q3-2024-jakarta-officf>
- Local investor case studies and property market professionals active in NTB, Bali, and Jakarta



06.

Indonesia's Top Destinations & Their Iconic Attractions



BALI

The Island of the Gods



1. BUKIT & ULUWATU

A sea temple perched atop dramatic limestone cliffs — perfect for sunset photos and traditional Kecak dance performances



2. CANGGU & SEMINYAK BEACH SCENE

Trendy cafes, beach clubs, nightlife, and surfing — the social and entrepreneurial heart of modern Bali.



3. TEGALLALANG RICE TERRACES (UBUD)

A sea temple perched atop dramatic limestone cliffs — perfect for sunset photos and traditional Kecak dance performances.



4. MOUNT BATUR SUNRISE HIKE

An early morning trek up this active volcano rewards climbers with panoramic sunrise views over Lake Batur.



5. TIRTA EMPUL WATER TEMPLE

A sacred spring temple offering cultural immersion and the famous Balinese purification ritual.



LOMBOK

Untouched Beauty & Surf Nirvana



1. DESERT POINT (BANGKO-BANGKO)

Ranked as one of the world's best left-hand surf breaks, this spot is legendary among elite surfers.



2. PENGANTAP BEACH

A hidden gem in West Lombok, famed for its white sand, turquoise waters, and dramatic coastal cliffs.



3. MOUNT RINJANI

Indonesia's second-highest volcano, popular for multi-day treks offering crater lake views and natural hot springs.



4. THE GILI ISLANDS

Just off the northwest coast, car-free islands with diving, snorkeling, and barefoot luxury appeal.



5. MANDALIKA SEZ & MotoGP CIRCUIT

A government-backed tourism zone with new resorts, a racing circuit, and international events — the future face of Lombok.



FLORES & LABUAN BAJO

Eco-Luxury Frontier



1. KOMODO NATIONAL PARK

Home of the Komodo dragon and a UNESCO World Heritage Site; trekking and wildlife safaris across Komodo and Rinca islands.



2. DIVING AT MANTA POINT

World-famous dive site near Komodo, where you can swim with majestic manta rays and explore pristine coral reefs.



3. PADAR ISLAND VIEWPOINT

A bucket-list hike offering one of Indonesia's most iconic landscapes — panoramic views over turquoise bays and jagged peaks.



4. PINK BEACH

A unique, rose-hued beach made from red coral fragments — ideal for snorkeling and Insta-worthy photography.



5. LABUAN BAJO MARINA & SUNSET STRIP

A growing eco-tourism port town with seafood restaurants, boutique hotels, and sunset sail experiences.



JAKARTA

The Urban Pulse of Southeast Asia



1. NATIONAL MONUMENT (MONAS)

An architectural icon and symbol of Indonesian independence, located in the heart of Merdeka Square.



2. SCBD SKYLINE & GAMA TOWER

Jakarta's business hub, filled with high-rises, rooftop bars, and the tallest building in Indonesia.



3. KOTA TUA (OLD TOWN BATAVIA)

Colonial architecture, museums, and cobbled streets tell the story of Indonesia's Dutch trading past.



4. GRAND INDONESIA & PLAZA INDONESIA MALLS

Luxury shopping, gourmet dining, and entertainment — showcasing Jakarta's status as a regional capital.



5. THOUSAND ISLANDS (KEPULAUAN SERIBU)

A short boat ride from the city to a string of paradise islands perfect for weekend escapes.



YOGYAKARTA & CENTRAL JAVA Culture & Heritage



1. BOROBUDUR TEMPLE

The world's largest Buddhist monument and UNESCO World Heritage Site — an architectural and spiritual marvel.



2. PRAMBANAN TEMPLE COMPLEX

A masterpiece of Hindu architecture with towering spires, intricate carvings, and frequent dance performances.



3. MALIOBORO STREET

Yogyakarta's main commercial avenue — alive with batik shops, food stalls, and vibrant street life.



4. MOUNT MERAPI VOLCANO TOUR

Guided jeep tours take visitors across lava fields to explore the slopes of Indonesia's most active volcano.



5. KRATON PALACE & WATER CASTLE (TAMAN SARI)

The historic royal residence of the Yogyakarta Sultanate — still functioning with traditional court customs.



LAKE TOBA (NORTH SUMATRA) Volcanic Wonder



1. LAKE TOBA

The world's largest volcanic lake — tranquil, scenic, and ideal for relaxing, boating, and spiritual retreats.



2. SAMOSIR ISLAND

A massive island within the lake — home to Batak culture, waterfalls, and laid-back villages.



3. BATAK ARCHITECTURE & VILLAGES

Unique peaked-roof houses and traditional music performances — a cultural immersion like no other.



4. SIPISO-PISO WATERFALL

A stunning 120-meter waterfall plunging into a lush gorge — one of the tallest in Indonesia.



5. HOT SPRINGS AT PANGURURAN

Natural sulfuric springs with therapeutic benefits and views over the lake and mountains.

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+62 82234637784