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CHECKLIST: FINANCIAL MODELLING

Bali Property Financial Model Checklist

What every financial model must include before you commit to a Bali development or investment deal · July 2026 edition · Real costs. Real scenarios. Not just build cost vs. selling price.

> PROJECTS DON'T FAIL ON SITE, THEY FAIL IN THE NUMBERS FIRST
>
> A model fails when costs are underestimated and revenue is overestimated. Timelines shift, prices move and unexpected costs appear. **If your deal only works in a best-case scenario, it doesn't work.** Use this checklist to stress-test every assumption before you commit a single dollar.

01 Land & acquisition costs: the all-in number

- ☐ Land / lease purchase price modelled at the actual agreed figure, not a round estimate
- ☐ Lease premium vs. annual ground rent split clearly modelled with the full cash outflow schedule
  Ground rent paid annually is a recurring cost, include every year in the model
- ☐ PT PMA setup costs included if buying via a company structure: written quotes, plus the investment minimums (a plan above IDR 10 billion per activity and location, IDR 2.5 billion paid up; confirm how land and buildings count) PERMEN INVESTASI NO. 5/2025
- ☐ Annual PT PMA compliance costs for all years of the hold: accounting, tax filings, company secretary, from written quotes
- ☐ Notary, PPAT and legal fees at acquisition included, from written quotes, obtained before you instruct anyone
- ☐ Due diligence costs: surveyor, lawyer, tax advisor, not zero
- ☐ Currency conversion costs and FX spread if purchasing in USD/AUD/EUR converted to IDR
- ☐ Acquisition financing costs if using debt: arrangement fees, drawdown costs

02 Construction & hard costs: build what you'll actually build

- ☐ Build cost per m² confirmed with a recent, specific contractor quote, not an industry average
  Published per-m² figures for Bali are mostly marketing; price your own drawings and specification
- ☐ Gross Internal Area (GIA) measured from the drawings, not the sellable area
- ☐ Landscaping and outdoor areas costed separately, pool, garden, access paths, boundary walls
- ☐ Infrastructure: septic system, water tank, electrical panel, solar (if applicable)
- ☐ Interior fitout and FF&E (furniture, fixtures, equipment) line-itemed, not bundled with the build
  FF&E is always underestimated; price it from a schedule, item by item
- ☐ Contingency on hard costs set by design stage: as working practice 15 to 20% at concept, 10 to 15% at schematic design, 5 to 7.5% at tender
- ☐ Construction management fee if using a professional CM or project manager
- ☐ Site preparation: clearing, levelling, access road, temporary power and water during construction
- ☐ Phased payment schedule to the contractor mapped to cash flow, when does each tranche go out?

03 Soft costs & professional fees: the line items that kill margins

- [ ] Architectural design fees included: the published architects' association scale for a private house runs from about 8% on small budgets to about 5.6% at IDR 4 billion; use your architect's written quote
- [ ] SLF (occupancy certificate) costs post-completion
- [ ] Environmental compliance: UKL-UPL preparation if required
- [ ] Marketing and sales commissions: licensed broker commission is regulated at 2 to 5% of the transaction value on a sale and 5 to 8% on a lease PERMENDAG NO. 33/2025
- [ ] Photography, videography, virtual tours and staging for the sales or rental launch
- [ ] Legal fees for lease drafting, assignment deeds, or share-sale documentation at exit
- [ ] Accounting and audit costs through the development and hold period
- [ ] Insurance: construction all-risks during the build, then property and liability insurance in operation

04 Revenue assumptions: build from evidence, not hope

- [ ] Revenue benchmarked against comparable active listings, not top-of-market outliers
- [ ] Nightly rate tiered by season: high, shoulder and low, all three modelled
  Bali has distinct seasons; a single average rate will overstate annual revenue
- [ ] Occupancy stress-tested: model at 60%, 70% and 80%, not just one assumption
  Year 1 occupancy is typically lower while the property builds reviews and OTA ranking
- [ ] If off-plan resale: comparable **sold** transactions used, not asking prices
- [ ] Revenue ramp-up modelled: a new rental takes time to reach steady-state occupancy, so year 1 is not modelled at the steady rate
- [ ] OTA commissions deducted from gross revenue at each platform's actual rate. Short-stay income only belongs in the model if the licence holder is also the party receiving it
- [ ] Management company fee deducted at the contracted rate
- [ ] Revenue projection signed off by an active Bali property manager, not self-generated
  Third-party validation of revenue assumptions is non-negotiable for serious underwriting

05 Operating costs: what it costs to run the asset

- [ ] Property management fee at the contracted rate, applied to gross rental revenue
- [ ] PBB (annual land and building tax) included for every year of the hold period
- [ ] Utilities if not 100% passed to guests: electricity, water, internet, estimated by villa size
- [ ] Staff costs if directly employing a villa manager, housekeeping or gardener
  Indonesian labour law requires written contracts, BPJS contributions and severance provisions
- [ ] Routine maintenance and repairs: budget an annual allowance built from the asset's actual systems and finishes, never zero
- [ ] Insurance premiums: property, contents, liability, the annual cost included
- [ ] Marketing and OTA listing costs: photography refreshes, paid promotions
- [ ] PT PMA annual compliance: tax filing, accounting, company secretary, every year of the hold
- [ ] Reserve fund for major capex: FF&E refresh, pool resurfacing, roof, electrical, plan for year 3 to 5 spend

06 Cash flow timing: when money moves matters as much as how much

- [ ] A month-by-month cash flow model built, not just annual summary figures
  Quarterly or annual models mask the cash flow crises hidden in the construction period
- [ ] Construction drawdown schedule mapped to contractor payment milestones
- [ ] Completion and handover date modelled conservatively, add a delay allowance to any contractor timeline
  A late handover moves the first rent, so model the delay month by month
- [ ] Revenue start date modelled from when the SLF is in place, not from construction completion
- [ ] Equity injection timing and phasing defined: who puts in what, and when
- [ ] Debt drawdown schedule if financing is involved: when tranches are released
- [ ] Interest during construction (IDC) calculated and included in the cost of capital
- [ ] The negative-cash-flow period identified: how long is the project cash-flow negative, and what is peak exposure?
- [ ] Working capital reserve sized: 3 to 6 months of operating costs held in reserve at all times

07 Tax: the costs most models leave out

- [ ] Income tax on PT PMA rental income: long-term rent is taxed at 10% final on the gross PP NO. 34/2017; other profit falls under corporate income tax at 22%, both included in the operating model
- [ ] PPN / VAT on construction contracts: 11% effective on contractor invoices if the contractor is a PKP PMK 131/2024
  This adds ~11% to your hard cost line, commonly missed in early models
- [ ] Final income tax on construction services: 1.75%, 2.65% or 4% of the contract value depending on the contractor's certification PP NO. 9/2022, confirm in the contract who bears it, and model the cash flow impact
- [ ] PPh 21 on staff salaries if employing directly, included in the payroll cost line
- [ ] PBG and permit-related government levies (retribusi, regional levies)
- [ ] Exit tax on a leasehold sub-assignment: 10% final PPh on the gross price for a resident assignor (20% Art. 26 if non-resident), taxed as land/building rental income, not as a 2.5% rights transfer PP NO. 34/2017
  No tax ruling squarely covers a lease assignment; the treatment rests on consistent practice, confirm it with tax counsel before modelling
- [ ] PT PMA share-sale exit tax: 5% of gross proceeds (Article 26 final WHT, treaty-gated), included in the exit model
  Do not model the exit without this, it materially affects net return
- [ ] Dividend withholding if distributing profits to foreign shareholders prior to exit

08 Three scenarios: base, upside, and stress

- [ ] Base case: realistic assumptions, mid-market revenue, actual costs, a realistic timeline
- [ ] Upside case: optimistic but plausible, higher occupancy, faster sell-down, on-time construction
- [ ] Stress case: costs run 20% over, occupancy hits 55%, and construction lands 9 months late, what does it look like?
- [ ] Revenue sensitivity table: model returns at 50%, 60%, 70% and 80% occupancy side by side
- [ ] Cost-overrun sensitivity: model returns with a 10%, 20% and 30% blowout
- [ ] Exit-price sensitivity: what does IRR look like if the exit price is 80% of projection?
- [ ] The deal only proceeds if the stress case still clears the investor's minimum threshold
  If the deal only works in the best case, it doesn't work

09 Financing & capital structure

- ☐ Total project cost confirmed as a single all-in number, land + build + soft costs + tax + contingency
- ☐ Equity requirement calculated: total cost minus any debt or pre-sales proceeds
- ☐ The investor return hurdle defined before modelling: the minimum acceptable IRR agreed upfront
- ☐ Debt terms modelled if using financing: interest rate, tenor, LTV, repayment schedule
- ☐ Debt service coverage confirmed: rental income covers debt service in the base case
- ☐ Pre-sales or off-plan deposits: if buyer deposits fund construction, model the timing and the refund risk
- ☐ Capital waterfall defined: the order of distribution between debt, preferred equity and common equity
- ☐ Foreign currency risk: if revenues are USD/AUD but costs are IDR, model IDR/USD movement scenarios

10 Exit analysis: model the end before you start

- ☐ Exit year defined: model the asset sale in years 3, 5 and 7, compare the returns
- ☐ Exit valuation methodology confirmed: rental-yield capitalisation or comparable sales, which applies?
  Bali premium villas are typically valued on comparable sales, not yield cap rates
- ☐ Exit price benchmarked against current comparable **sold** transactions, not asking prices
- ☐ All exit costs deducted in the model: agent commission, PPh / share-transfer tax, legal fees
- ☐ IRR calculated on total equity invested, not just on profit over cost
- ☐ Equity multiple (MOIC) calculated alongside IRR, both figures matter
  A high IRR on a short hold can mask a low absolute return, always show both
- ☐ Net present value (NPV) calculated at your required discount rate
- ☐ Payback period identified: when does cumulative cash flow turn positive?
- ☐ Break-even occupancy calculated: what occupancy covers all operating costs?
- ☐ The model independently reviewed by an advisor who had no part in building it
  The person who built the model has an incentive to make it work, get a second pair of eyes

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This checklist is a financial-modelling reference tool. All cost and revenue benchmarks are indicative for Bali market conditions as of July 2026 and should be verified with local advisors and current market data. This is not financial advice.

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