
WEEK OF 30 SEPTEMBER - 6 OCTOBER 2026

Why operating villas are up for sale

68.19%

star hotel occupancy, August

43.16%

non-star occupancy, August

2.77

nights in star hotels, August

3.28%

Indonesia inflation, September, y/y

From a listing to cash in the bank

When an operating villa comes up for sale, it is tempting to read the listing as news about the whole market. One owner may be changing plans; another may need to resolve accumulated problems. This week PHRI added detail to the story we began in our previous issue.

Here we move from that report to the checks on a particular property. We look at what is known about listings and occupancy, then follow nights into revenue, examine the cost of shorter bookings and build a complete acquisition budget.

The calculations use one hypothetical case that readers can replace with their own figures. Statistics and illustrations are labelled separately. An island-wide hotel occupancy figure does not become a promise of villa income simply because it appears beside a photograph.

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Tegallalang · chensiyuan / CC BY-SA 4.0

Why sell a villa that still has guests?

A follow-up to our previous issue. PHRI describes different circumstances, rather than one explanation for the whole market.



Canggu · location photograph · Mx. Granger / CC0 1.0

On 30 September, BaliPost reported comments by PHRI Bali deputy chairman I Gusti Ngurah Rai Suryawijaya: villas feature prominently among listings reviewed with the tourism department, and some properties have occupancy above 60%, reaching 75%. No sample size was given.

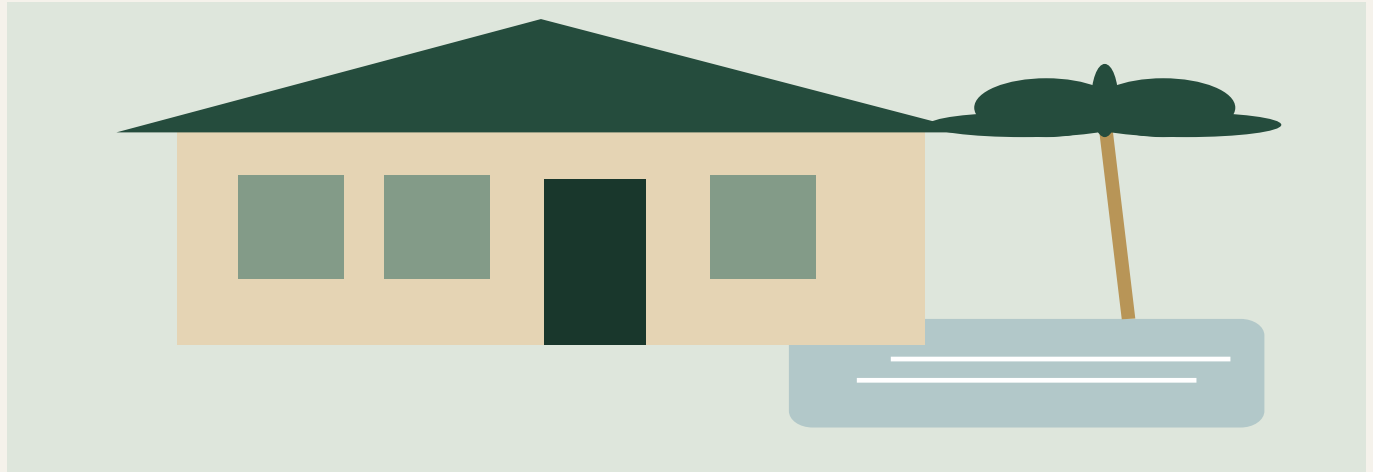
PHRI's explanations include owners' decisions and incomplete permits. These observations do not establish that every villa for sale is troubled. Equally, a high proportion of occupied nights does not establish that the owner earns a profit.

In an initial conversation, ask what is included in the price as well as why the owner is selling. Does furniture and equipment transfer? What happens to future bookings and guest deposits? Will the existing team stay? Two similar-looking listings can represent different transactions.

Record the answers and compare them with the financial documents. A booking calendar shows guest activity, but not the operating result. Assessing the business requires receipts, expenses and the conditions under which that result might continue after ownership changes.

One property, several accounts of it

The listing, bookings and documents describe different aspects of a villa. They need to agree.



01

Calendar

Which nights were paid

02

Receipts

When money arrived

03

Expenses

What was deducted or paid

04

Documents

What is being transferred

Suppose a seller shows a busy calendar. Take one completed month and distinguish paid nights, cancellations, complimentary stays and owner use. Only then is it clear what the seller means by occupancy.

Next, compare platform statements with bank receipts. Payment may arrive after departure, with a commission or refund already deducted. A difference from the calendar need not be an error, but it needs an explanation.

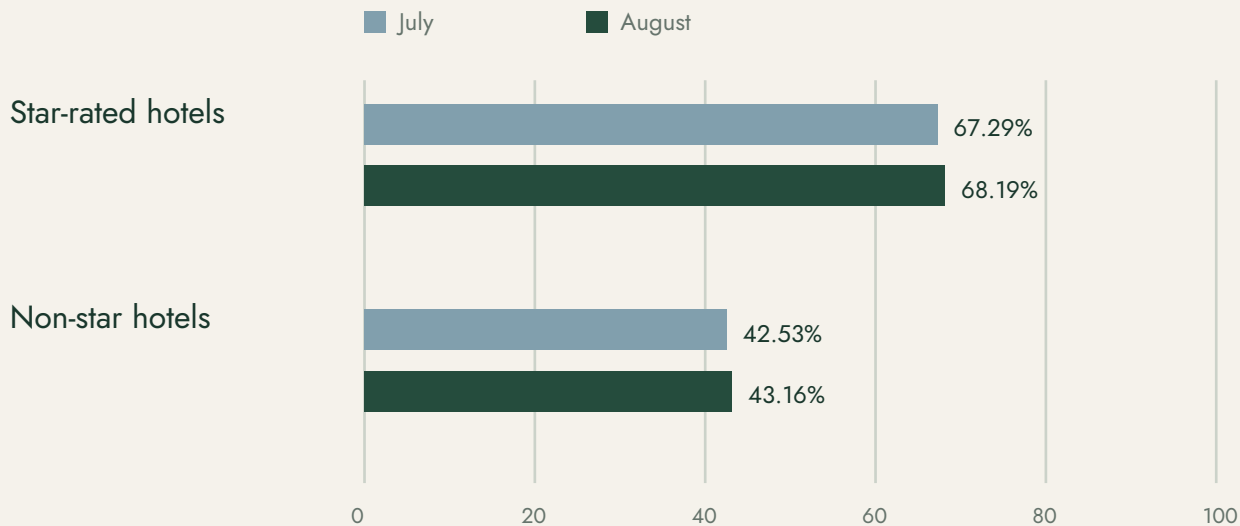
The third layer is expenses. Ask for invoices and the management agreement to understand what the fee covers and what is charged separately. Small purchases, contractor visits and turnover preparation can easily disappear between different statements.

In parallel, a local specialist reviews the property documents and applicable operating arrangement. There is no universal permit list in this diagram: the relevant documents depend on the transaction, site and use. A booking history cannot replace that review.

DOMA diagram. The transaction adviser determines the applicable document list.

Occupancy needs a defined category

An average for star-rated hotels and the performance of one villa need context before they can be compared.



Bali, 2026 · % of available room-nights. July is derived from August and the reported monthly change.

On 6 October, RRI reported BPS Bali's August figures from the 1 October release. Occupancy was 68.19% in star-rated hotels and 43.16% in non-star hotels, up by 0.90 and 0.63 percentage points from July respectively.

The August gap is 25.03 percentage points. It illustrates why the comparison group matters. Taking a simple average of the two figures would not produce a valid "Bali occupancy rate"; that would require category weights.

Check the denominator in a property's own report. If nights were blocked for repairs, occupancy relative to available dates may rise even with the same paid nights. The economics need both paid nights and available nights.

The unit being sold also matters. A hotel room and an entire villa have different rates and costs. A comparison is useful when format, period and calculation method match, rather than merely sharing the word accommodation.

A slightly shorter stay

Average length of stay describes another part of demand. It also helps plan the work between bookings.

Star-rated hotels

2.82 → 2.77
JULY AUGUST

Non-star hotels

2.20 → 2.15
JULY AUGUST

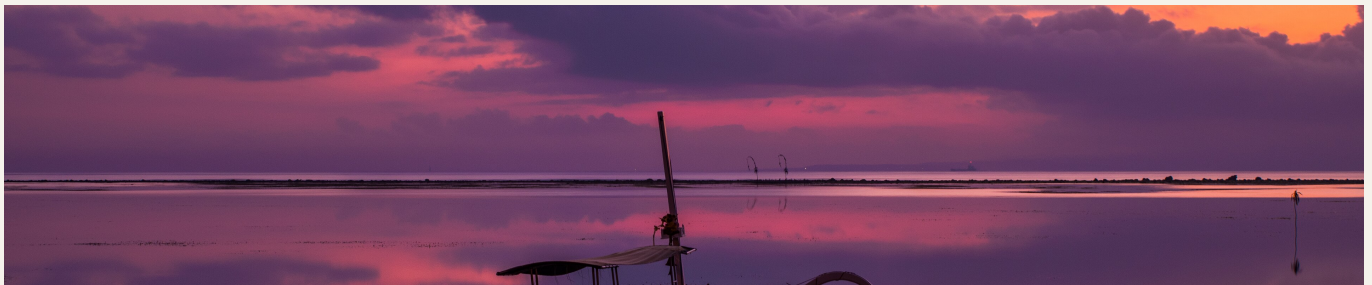
Average length of stay, nights · Bali, 2026. July is calculated as August + 0.05 nights.

Average August stays in Bali were 2.77 nights in star-rated hotels and 2.15 in non-star hotels. According to RRI's account of BPS data, each fell by 0.05 nights from July.

This is a small monthly movement. It does not show that every visitor is taking a shorter holiday: someone spending two weeks on Bali may stay at several properties. The statistic concerns accommodation, not the whole trip.

An operator can examine the distribution of their own bookings: one or two nights, three to six, a week or more. The same average can conceal very different combinations of short and long stays.

A long booking reduces turnover preparation but may involve a discount. A short one may achieve a higher rate while adding cleaning and gaps between stays. Compare the amount left after expenses per available day, as well as the average length of stay.



Sanur · Tomasz Baranowski / CC BY 2.0

Bali beyond the island-wide average

Two landscapes from the same photo series. Two different routes for checking a location.



Sanur. Sunrise on the coast. · Tomasz Baranowski / CC BY 2.0

Sanur is known for sunrise and its beachfront walks; Ubud and its surroundings for rice terraces and cultural visits. This is useful context for a trip, but not a ready-made segmentation of rental demand. Check the guest mix in the property's own bookings.



Tegallalang, near Ubud. Rice terraces. · chensiyuan / CC BY-SA 4.0

At a viewing, walk the route a guest will use: from the approach to the door, and from the villa to breakfast or a walk. Visit at different times of day. A district photograph conveys atmosphere; it does not reveal bedroom noise, ease of access or what is behind the next fence.

Source: Indonesia Travel · Sanur

Rate and occupancy work together

A hypothetical villa is available for all 365 days. The matrix shows annual revenue before any costs, in US dollars.

	PAID OCCUPANCY		
	45%	60%	75%
\$120 / night	\$19,710	\$26,280	\$32,850
\$150 / night	\$24,638	\$32,850	\$41,063
\$180 / night	\$29,565	\$39,420	\$49,275

DOMA assumptions: 365 nights, rate after discounts; costs excluded. Rounded to whole USD.

The formula is available nights × paid occupancy × achieved average rate. The central cell is 365 × 60% × \$150 = \$32,850. This is revenue, not the owner’s income: fees, running costs, taxes and investment in the property have not been deducted.

Use the rate at which the stay actually took place. A price displayed on a booking page before discounts can be considerably higher. State separately whether revenue includes cleaning charges and taxes collected from guests.

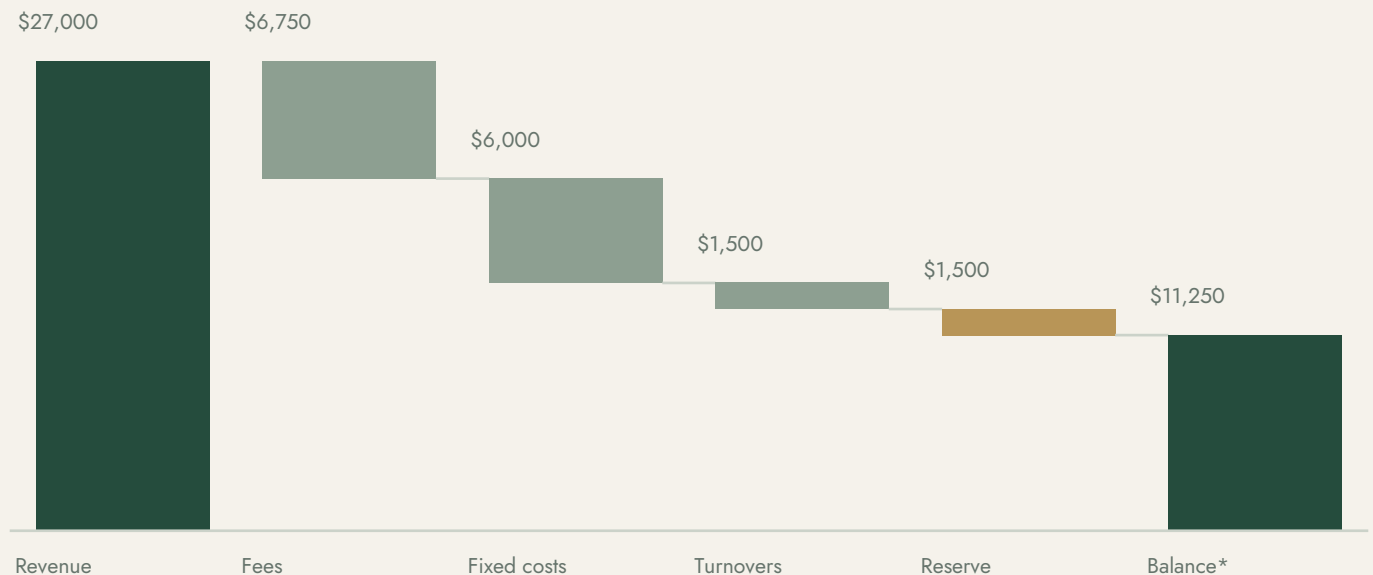
The relationship between the inputs matters too. A discount may help sell more nights. It is therefore unsafe to take the highest rate and occupancy from different properties and combine them into a forecast.

If the owner intends to use the villa, first reduce available nights. Thirty owner nights leave a base of 335 rather than 365. The season matters as well: the same number of nights can generate different amounts of revenue at different times of year.

Revenue = available nights × paid occupancy × achieved average rate.

What remains of \$27,000 in revenue

One hypothetical year: 180 paid nights at \$150, in three-night stays. All amounts are in USD.



* After the stated expenses and reserve, before taxes, debt and unspecified costs.

Assume platform and management fees together equal 25% of revenue. Fixed annual costs are \$6,000. Preparing the property after each of 60 stays costs \$25. A further \$1,500 is set aside as a reserve. These items leave \$11,250.

The reserve represents money set aside, not a repair already paid for. Keep it separate from current expenses and show where it is held. If a repair is paid from that reserve, deducting it again would understate the result.

This example excludes taxes, debt, major capital works and other unspecified expenses. An actual transaction needs those added. The management agreement may also define its fee differently, for example on receipts after particular deductions.

Turn any percentage quoted in a presentation back into money. What is the fee base? Which services are included? How are different platform charges shown? A formula that can be checked is more useful than a single promised balance.

DOMA illustration. All assumptions are stated in the text; these are not market averages.

The same 180 nights. Twice as many stays.

An illustration of operating workload: the same rate and paid nights, with different booking lengths.

6 nights × 30 stays

\$750



3 nights × 60 stays

\$1,500



Each cell is one paid night; alternating colours identify separate bookings.

Six-night stays produce 30 bookings in the first case. Three-night stays produce 60 in the second. At an assumed \$25 per turnover, the annual expense changes from \$750 to \$1,500, a difference of \$750.

Covering that difference alone over 180 paid nights requires roughly \$4.17 extra per night after deductions. If a 25% fee also applies to the rate increase, the price needs to rise by about \$5.56. All other assumptions remain unchanged.

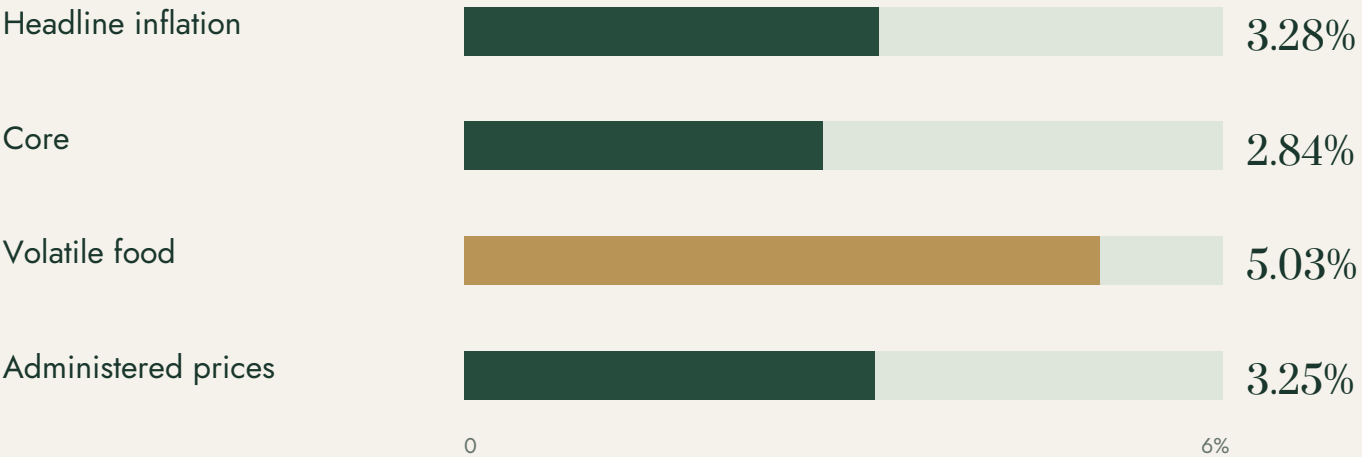
Actual costs are more involved. Some cleaning happens during a stay, while a guest may pay a final cleaning charge. In that case, include the matching receipt as well as the expense.

Neither short nor long bookings are universally better. Compare the achieved rate, preparation costs, length-of-stay discounts and unsold gaps. Then check which of those items are reflected in the operator’s reported result.

Assumptions: 180 nights sold; \$25 turnover cost, not reimbursed by guests. DOMA illustration.

Headline inflation is not a villa cost index

Indonesia, September 2026. Annual consumer price changes, published by Bank Indonesia on 1 October.



Bank Indonesia reported inflation of 3.28% year on year and 0.30% month on month. Annual core inflation was 2.84%, volatile food inflation 5.03% and administered price inflation 3.25%. Every value in the chart is an annual change.

These are different statistical groups, not components that can simply be added together. None describes the expense basket of a particular Bali property. Its contracts, consumption and purchases determine its costs.

A laundry bill, for example, might rise because there were more stays even though the tariff did not change. In another month the tariff might rise but guest numbers fall. Looking only at the total obscures the cause.

Separate unit price from volume. For breakfast, look at purchasing per guest; for laundry, the rate per set or kilogram; for regular maintenance, the agreed scope of work. This helps distinguish a price change from a change in the amount of work.

Source: Bank Indonesia - 01.10.2026

A statement that reconciles with cash

A single table helps distinguish the operating report from movements in the bank account.

Line item	Match it against
Bookings and refunds	Calendar and platform statement
Accommodation payments	Bank statement and deductions
Management fee	Calculation base and agreement
Cleaning and laundry	Stay count, rate and invoices
Maintenance and repairs	Work scope and supporting records
Balance and reserve	Cash held and outstanding obligations

The month of a stay and the month of payment may differ. Two totals are useful: accommodation performance for the period and cash movements. Unpaid platform balances, deposits for future bookings and deductions explain the difference.

Every expense needs a clear period. Land rent or insurance may be paid for a longer term in advance. Charging the full amount to one month makes it look weaker; omitting it entirely makes the year look stronger.

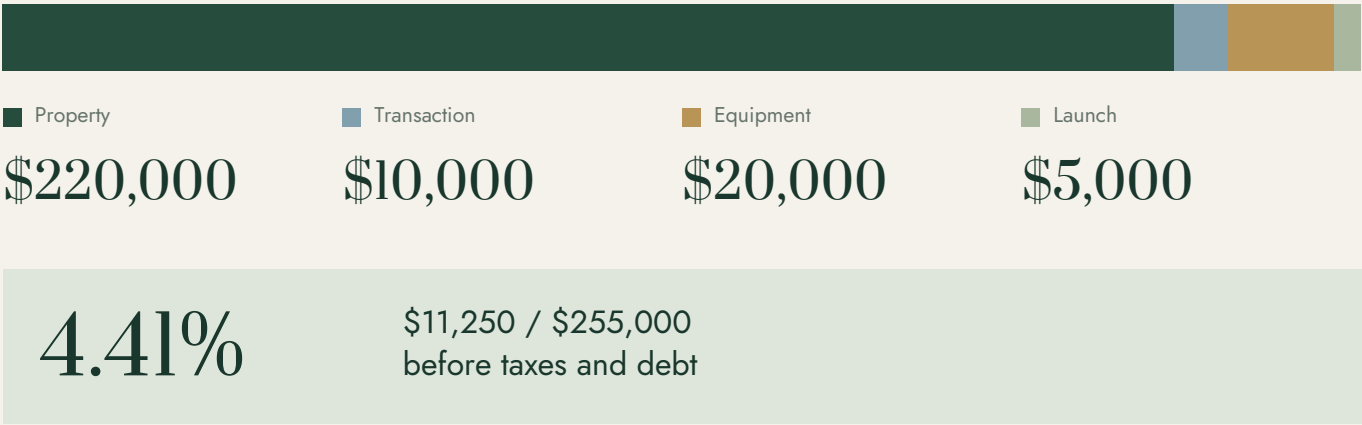
Keep supporting evidence beside each amount: an invoice, statement, work record or agreement. The purpose is not to read every document each month, but to make unusual changes traceable. Also specify who approves unplanned work and the operator’s independent spending limit.



Canggu · Mx. Granger / CC0 1.0

Count the whole amount invested

The advertised property price is only part of this hypothetical acquisition and launch budget.



Assume a purchase price of \$220,000. Add a budget of \$10,000 for transaction support, \$20,000 for furnishing and equipment, and \$5,000 for launch. The total is \$255,000. These are illustrative allowances, not current fees or tax rates.

Dividing the \$11,250 balance on page 9 by the \$220,000 price gives 5.11%. Dividing it by the full \$255,000 gives 4.41%. Both remain before taxes, debt payments and expenses excluded from the model.

This annual measure does not describe the result over the whole investment. Where rights have a limited term, remaining tenure, exit value and renewal conditions matter. A resale cannot automatically be assumed at the original purchase price.

First set out when money moves: purchase payments, completion of furnishing and the start of rental activity. The period without revenue also needs funding. You can then compare options using the same set of included costs.

DOMA illustration. Transaction costs are assumed, not a tax calculation.

Maintenance starts with the service history

An illustrative inspection guide. It organises questions and does not replace a technical survey.



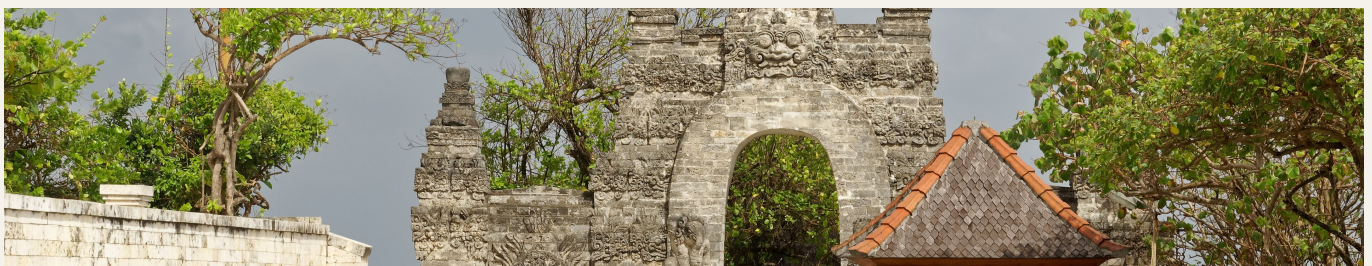
- 1 Roof and enclosure
- 2 Water and equipment
- 3 Electrical and cooling systems
- 4 Finishes and furniture

An operating villa should have a history: what was serviced, what was replaced and which faults returned. Ask for work records and recent invoices. A recurring small repair may matter more than fresh decoration.

Show a technical specialist the service areas, equipment and access to systems as well as guest rooms. The parts hidden from attractive photographs influence future costs and the time a property may need to close.

After inspection, sort work by timing: before the next arrival, during a planned gap, or at the next refurbishment. Give each item a budget, an owner and expected downtime. The reserve is then connected to identified work rather than an arbitrary percentage.

The \$1,500 in our model is only an assumption. It cannot be treated as sufficient for every villa. A property with new equipment and one approaching a major replacement need different amounts even if their revenue is identical.



Uluwatu · location photograph · Jakob Hafun / CC BY-SA 4.0

The file before a purchase decision

A working sequence for a buyer. This editorial diagram is not a promise about completion time.

01

Define the offer

Price inclusions and transfer scope

The review should produce a concise, agreed file explaining what is being bought and how the property has operated. It includes the transaction scope, financial history, document review and technical findings.

02

Review the evidence

Money, documents and condition

Record each unresolved point separately: what evidence is missing, who supplies it and before which stage it must arrive. "We will sort it out later" does not allow time or cost to be assessed.

03

Recalculate

Budget for the findings

Update the financial model after the reviews. New information about repairs, management terms or available nights should change the numbers, rather than sit as an appendix to an unchanged sales presentation.

04

Arrange handover

Bookings, balances, access and inventory

Before handover, agree how operations continue: future bookings, guest deposits, access credentials, equipment and the closing statement. The transaction and payment terms themselves are arranged with your advisers for the specific property.



Uluwatu · Jakub Hafun / CC BY-SA 4.0

How to read this issue

News covers 30 September - 6 October 2026. Statistical periods are distinguished from publication dates. PHRI comments are reported via BaliPost, accommodation figures via RRI citing BPS Bali, and inflation via Bank Indonesia.

Occupancy charts start at zero. July levels are calculated from August and the published monthly changes. Island-wide figures are not applied to individual villas. Every USD model is a DOMA illustration, not a forecast or market average.

Photographs show Bali locations, not the properties mentioned in the sales report. Images are cropped; authors and licences appear below. Infographics and diagrams were prepared by DOMA.

Sources

1. BaliPost · 30.09.2026 · PHRI comments on listings; not a representative market sample.
2. RRI / BPS Bali · 06.10.2026 · Occupancy and stays: August 2026; RRI reports the BPS release of 1 October.
3. Bank Indonesia · 01.10.2026 · Inflation: September 2026, annual and monthly measures.
4. Indonesia Travel · Sanur · Location context: Sanur.
5. Indonesia Travel · Tegallalang · Location context: Tegallalang.

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Issue No. 7, expanded edition · 6 October 2026 · 16 pages

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