

THE GROUND TRUTH · NO. 2 · 2026

What Pink Land in Bali Should Really Cost

Working backwards from room rates to the land price you can actually afford. Bali, 2026. Pay more, and know that you are overpaying.

ASCENDURE

THE SHORT VERSION

The room pays for everything. Start there.

Land in Bali is priced by asking. This paper prices it by earning.

“Pink land” is Bali’s tourism-zoned land — the colour it wears on the official zoning maps, and the only land where villas and hotels are fully licensable. It carries a premium for that permission: in the same district it can ask 1.3× the residential zone and several times the farmland next door. The question this paper answers: how much of that premium can your project actually afford?

The method is the residual: start from the nightly rate the market will really pay, walk down through occupancy, platform fees, management and operating costs to the profit line, size the total project a sensible investor would fund against that profit — and whatever is left after construction is what the land is worth *to you*. Everything above that number is donation.

74% / 63%	37%	IDR 540–975M
BALI OCCUPANCY 2025 — HOTELS / VILLA MEDIAN	GOP MARGIN, SE ASIA HOTELS FY2024	ASKING PER ARE, CANGGU–PERERENAN PINK LAND

SOURCES: HORWATH HTL / C9 HOTELWORKS 2026 · AIRBTICS (38,640 BALI LISTINGS) · HOTSTATS FY2024 · CORRIDOR LISTING DATA 2025–26.

> *The only price variable you will ever fully control is the one at the entrance. Rates move, seasons move, costs move — the land price you agreed is forever.*

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01 Find your real rate — not your hoped-for one

Step 1. Build a competitive set. Open Booking.com, Airbnb and Agoda; use a data tool if you can (AirDNA, Airbtics, PriceLabs). Pull 8–15 properties that genuinely match yours on the four things guests price: location (same corridor, same beach-minutes), fit-out level, size (bedrooms / key type) and amenities (pool, view, service level). Then match the operator type: a home-grown operation should not comp itself against an Aman — and if you are signing a branded operator, you may fairly assume the higher rates identifiable with that brand (branded product carries a 25–35% premium in Bali data).

Step 2. Read the set honestly. Use the rates those properties achieve in low and high season — not their rack rates. The number you can defend across the year is your ADR.



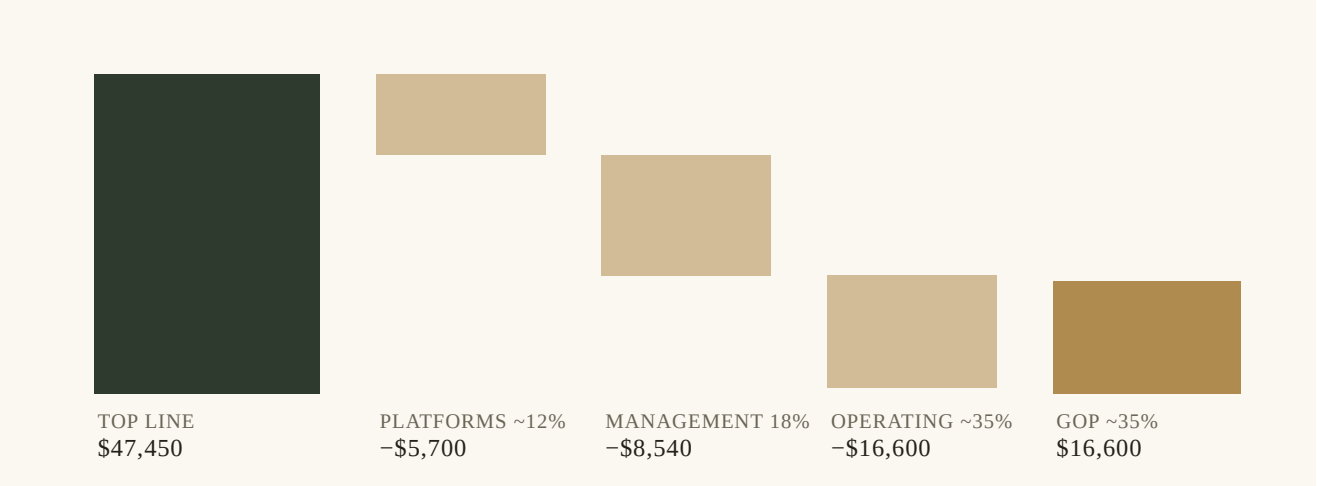
YOUR COMP SET IS THE MARKET'S ANSWER, NOT THE BROCHURE'S. PRICE TO WHAT THE PROPERTIES BESIDE YOU ACTUALLY ACHIEVE, ACROSS THE WHOLE YEAR.

> *The rate is where every number below it begins. Get the rate wrong and the land price you can afford is wrong by the same distance.*

02 Occupancy → RevPAR → top line

Step 3. Assume occupancy from the island, not from optimism. Bali's classified hotels ran 74% in 2025; the villa market's median is 63% (38,640 tracked listings). Premium products deliberately run lower — Bali's $500+ tier sits near 49%. A $200-ADR product should model 60–65%, not 74%.

Step 4. RevPAR × 365 × keys = top line. RevPAR is ADR × occupancy — what each key really earns per calendar night, empty nights included. At $200 × 65%: RevPAR $130 → $47,450 per key per year.



ONE KEY, ONE YEAR, AT $200 ADR AND 65% OCCUPANCY — ILLUSTRATIVE. PB1 (10%) SITS ON THE GUEST'S BILL; INCOME TAX DEPENDS ON STRUCTURE. INFORMATION ONLY.

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03 What leaves the top line

Step 5. Platforms. Commissions run 15–25% (Booking ~15% average, Airbnb host-only 14–16%, Agoda market-dependent). In year one expect 70–85% of bookings via platforms; the Asian market's online mix is ~68% OTA. Established operators with strong brands realistically reach 35–40% direct (Asia's 5-star hotels book 56% of online revenue direct), which pulls the blended channel cost toward ~12% of revenue.

Step 6. Management, tax, and the USALI line. Villa management in Bali charges 15–30% of gross (full-service at the top of that); branded hotel agreements average a ~1.6% base fee plus ~6.6% of GOP in Asia-Pacific. On tax: the 10% PB1 hotel & restaurant tax sits on the guest's bill (check whether your comp-set rates include it); your own income tax depends on structure — commonly a 10% final tax on lease-out models or 22% corporate tax on operating companies. Take professional advice.

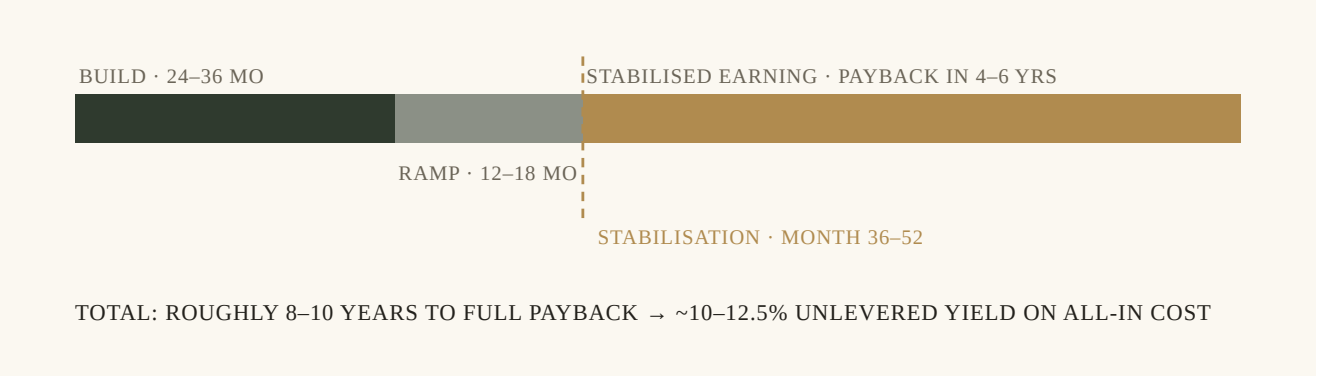
Step 7. Operating costs → GOP. Model departmental and undistributed costs so that your bottom line lands where the region actually lands: Southeast Asian hotels kept a 37% GOP margin in FY2024, with well-run properties above 40%; Horwath notes Bali GOPs running above historical norms. GOP — gross operating profit under USALI, the uniform hotel accounting standard — is the line the whole industry underwrites against: revenue minus all operating costs, before rent, financing and owner taxes.

> USALI in one line: the Uniform System of Accounts for the Lodging Industry — the standard way hotels report, so a "GOP" in Bali means the same as a "GOP" in London. If an operator won't report USALI, that tells you something too.

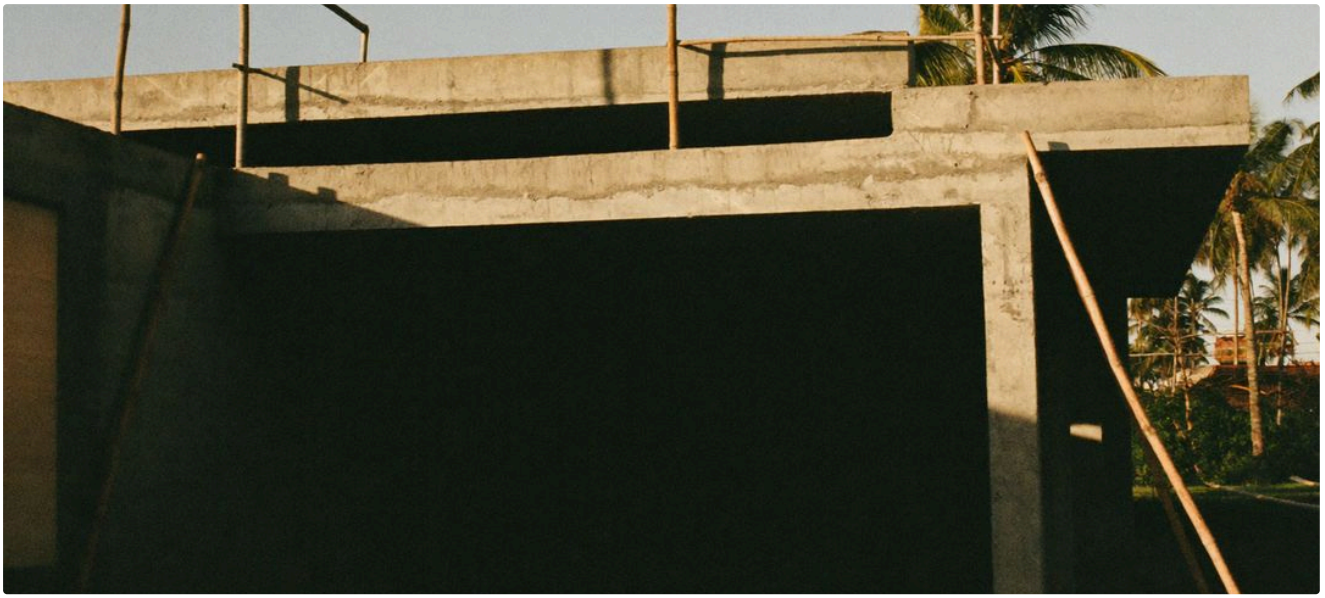
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04 Time and the yield that follows

Step 8. Price the clock. Building takes 24–36 months; ramping to stabilised occupancy another 12–18 — call stabilisation month 36–52. From there, a sound project returns its money in roughly 4–6 years of stabilised GOP: about 8–10 years all-in, which corresponds to a 10–12.5% unlevered yield — all equity, no leverage, exactly the discipline that survives a soft season.



THE HONEST CLOCK: BUILD, RAMP, STABILISE, PAY BACK — ALL EQUITY, NO LEVERAGE. ILLUSTRATIVE. INFORMATION ONLY.



EVERY MONTH BETWEEN BREAKING GROUND AND THE FIRST PAYING GUEST IS A MONTH THE LAND, THE BUILD AND YOUR EQUITY ALL COST AND EARN NOTHING. THE CLOCK IS THE HIDDEN LINE IN THE PRICE.

This is why the target yield is not greed. Established markets pay 5 to 7% and offer cheap borrowing on top; Bali’s higher unlevered target is the price of frontier risk, thin exits and a demand curve that still swings hard with the seasons.

05 The worked example — $200 a night

A $200-ADR product is upper-tier for Bali (island average: $150), so it earns a lower occupancy assumption — 65%. One key, one year:

LINE	PER KEY / YEAR
Top line ($200 × 65% × 365)	$47,450
Platform fees (blended ~12% at stabilisation)	−$5,700
Management (villa model, 18%)	−$8,540
Operating costs (~35%)	−$16,600
GOP (~35% margin)	$16,600
Supportable all-in cost at 11.25% unlevered	~$148,000

Step 9. Cost the build per key — communal parts included. A $200-ADR product needs a mid-upper build. Assume ~80 m² gross per key (a ~60 m² unit plus its share of pool, back-of-house, circulation):

COMPONENT	PER KEY
Construction, 80 m² @ ~$1,100/m²	$88,000
FF&E / furniture	$12,000
Pool share, landscape	$6,000
Design, permits, pre-opening	$9,000
All-in ex-land	~$115,000

The residual: $148,000 supportable minus $115,000 of build leaves ~$33,000 per key for land. With Bali's 15-metre height rule, ~50% site coverage and 2–2.5 storeys (≈60% land utilisation), each key needs ~64 m² of land → ~$510/m² ≈ IDR 830M per are, paid upfront for a 25–30-year leasehold. That is your ceiling — and it lands at ~22% of all-in cost, right on the industry's rule of thumb.

> *Canggu and Pererenan pink land asks IDR 540–975M per are today. At $200 a night, the maths says the best corridors are already at the ceiling. Above it, the land is eating your yield — the seller's, not yours.*

06 Your land budget, by rate and occupancy

Run your own row: the rate you can defend, the occupancy your corridor really does.

YOUR ADR	55% FULL	65% FULL	75% FULL
$120	150M	500M	845M
$150	190M	625M	1,055M
$200	250M	830M	1,410M
$250	315M	1,040M	1,760M

MAXIMUM SUPPORTABLE PINK-LAND PRICE, IDR PER ARE (UPFRONT, 25–30-YR LEASEHOLD), AT A 10–12.5% UNLEVERED TARGET. "—" = THE NUMBERS DON'T SUPPORT TOURISM-ZONE LAND AT ALL. ILLUSTRATIVE — RUN YOUR OWN CASE. INFORMATION ONLY.

Read it the hard way: at $150 and 55% occupancy the model barely supports tourism-zone land at all — which is precisely why mid-market projects on expensive corridors stall. Rate carries land. If you can't defend the rate, you can't defend the land price.

07 Signs you are overpaying

The seller's comp is an asking price, not a done deal. The "guaranteed ROI" in the brochure assumes 80% occupancy at rack rate. The land is priced on last year's corridor hype while your comp set earns this year's rates. Or the plot is green or yellow on the zoning map priced as if it were pink — check the parcel on the official RDTR map before anything else, because permission is most of the price.

How we use this method: when Ascendure underwrites completion or expansion capital, this residual is the first test a project meets — the room rate carries the whole tower of assumptions above the land. Projects bought inside the ceiling get finished and get funded. Projects bought above it ask the future to rescue the past.

Standing note: every figure here is a published market range or an illustrative model input, sourced 2025–26: Horwath HTL / C9 Hotelworks · HotStats · Airbtics · JLL · D-Edge · Cloudbeds · corridor listing data (asking prices, not transactions). Build your own case on your own numbers, with Indonesian counsel on zoning, tenure and tax. Ascendure is not a bank, does not take deposits, and does not provide credit or capital to the public. Information only — not financial advice.