



Bali Leasehold Investments Can Be Optimized, According To Bali Nirmana Property

January 29, 2019

January 29, 2019 - PRESSADVANTAGE -

PT Bali Nirmana Property has warned that the different factors in Indonesian investment leasehold agreement terms can ruin an investor's day if they are not aware of them. The company explains that these factors can optimize the return in Bali leasehold investments. Team members at the property investment firm are very much aware of these subtle issues that can unravel or break deals if they are not carefully managed. Meanwhile, Patrick Clancy has posted an article on their website, titled, "What's the Story with Leasehold Extensions and Bali Real Estate?" to help investors optimize their returns from their leasehold properties.

Patrick Clancy says, "Our team members are fully aware of these factors and how they can cause a change in the return on investments. This is what we manage as part of our time-tested methodology of managing property investments in Bali, Indonesia. We invite people to take some time to visit our BNP office to learn how they can invest in leasehold properties."

Patrick Clancy explains that the usual leasehold acquisition on a villa in Bali will have a number of essential components, of which the most important are the length of the extension term, the length of the initial tenure,

and the terms and conditions for actualizing that extension.

The norm is to have 25 year lease terms, but there have also been terms of 30 and 35 years. Many of the families in Bali who own land are reluctant to sell family land, thus the Hak Sewa, or right to lease, has been often used by foreigners to acquire property and come up with their own version of the Bali dream villa.

Patrick Clancy points out that each lease agreement will have certain terms and conditions for extending the lease, usually for a term that is the same as the initial tenure. No two agreements are the same but there are some common guidelines. It should be pointed out that the cost of the extension is usually based on the land value only, and not the land value plus the value of the villa, pool and other improvements.

The usual language in the lease agreement with regards to determining the price of the lease extension will vary. Many leases will simply indicate that the price will be based on the market value of the land at the time of extension. This is quite vague because the estimated market value is just that, an estimate. But determining the price of the extension often ends up being based on the relationship between the lessee and the land owner. In some leases, a certain mechanism is specified on how determine the price.

Patrick Clancy adds that while the conditions and timing for the lease extension are often clearly indicated in the lease agreement, many land owning families would be willing to extend the lease before the indicated term in the agreement. He notes that establishing a good relationship with land owning family will often be helpful when it comes to determining the lease price.

It was in 2002 that Patrick and his wife Marsha came to Bali having enrolled in a school for yoga instructors. However, the school was cancelled after the Bali bombing and it was then that Patrick and Marsha decided to establish some roots in Bali and help with the recovery. By 2006, the island of Bali was able to get back to where it was before the bombing and Patrick decided to focus on the expanding real estate market in Bali. For 10 years, Patrick was involved in more than 400 property transactions in his role as property agent, general manager and director sales for two of the larger real estate brands in Bali. In 2018, he joined forces with some friends and brought his experience to Bali Nirmana Property, where he focuses on earning the trust of clients.

Those interested in Bali property investments can visit the company website or contact them by phone.

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PT Bali Nirmana Property

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