

The Effect of Capital Structure, Profitability, and Size to Firm Value of Property and Real Estate at Indonesia Stock Exchange In the Period of 2012-2018

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Abstract—The purpose of this research is to determine whether the Capital Structure, Profitability Ratio, and Size both individually the firm value of the property and real estate in the Indonesia Stock Exchange (BEI) period 2012-2018. Capital Structure is represented by using Longterm Debt to Equity Ratio (LDER), Profitability is represented by using Return On Equity (ROE), Size is represented by using logaritma natural (Ln). By using purposive sampling technique, the population of 53 companies and the sample of 30 companies with the period of research are 7 years the total amount of successfully observed samples has been reduced to 210 samples of data. This causal-comparative research uses panel data with secondary data that collected by using documenting and archiving techniques from Indonesian Capital Market Electronic Library. Multiple regression estimation method from panel data used in this research is Fixed Effect Model final. This research shows that Capital Structure effect negative to firm value, Profitability effect positive to firm value, Size effect negative to firm value individually affect the property and real estate sector in the period of 2012-2018.

Keywords—:Capital Structure, Profitability, Size, Firm Value

PRELIMINARY

The real estate industry and property in general are two different things, real estate is land and all permanent improvements on it including buildings, such as buildings, road construction, open land, and all other forms of development that are permanently attached. According to the laws and regulations in Indonesia, the definition of the real estate industry as stated in PDMN No. 5 of 1974 is a property company engaged in the provision, procurement, and maturation of land for the purposes of industrial businesses, including the tourism industry.

Meanwhile, the definition of property according to the Decree of the Minister of Public Housing No. 05/KPTS/BKP4N/1995, Ps 1.a:4 property is land rights and or permanent buildings that are the object of the owner and development. In other words, property is the real estate industry coupled with laws such as rent and ownership

The issuance of a central bank regulation as of September 24, 2013 as stated in BI Circular (SE) No.15/40/DKMP concerning the application of risk management to banks that provide credit or property ownership financing, property-backed consumer credit or financing and motor vehicle loans or financing. forcing company management to have expertise in determining the right capital structure for the company to be able to continue to survive and continue to grow in the industry. The choice to be more inclined to debt or own capital will appear, if there is an error in determining the source of funds it can be fatal in a condition where the central bank limits the amount of credit for property ownership loans and property-backed consumer loans. Property and real estate companies are one of the industrial sub-sectors listed on the Indonesia Stock Exchange (IDX). The property and real estate industry is an industry engaged in service development by facilitating the development of integrated and dynamic areas. From 2012 to 2018 there were more than 53 property and real estate companies listed on the Indonesia Stock Exchange (www.sahamok.com).

In terms of valuation, the property sector is still relatively cheap with a price to earnings ratio (PE) of 8.72x, far below the Composite Stock Price Index (JCI) of 16.27x, as seen in table 1.

Tabel 1 Valuari 20 Saham terbesar pada

Valuari 20 saham terbesar pada perusahaan property			
No	Emiten	KODE EMITEN	PE
	Jakarta Property Index	PROP.JK	8.72
1	PT. Pakuwon Jati Tbk	PWON.JK	14.24
2	PT. Bumi Serpong Damai Tbk	BSDE.JK	7.87
3	PT. Metropolitan Kentjana Tbk	MKPLJK	15.67
4	PT. Ciputra Development Tbk	CTRA.JK	17.97
5	PT. Summarecon Agung Tbk	SMRA.JK	32.19
6	PT. Plaza Indonesia Tbk	PLIN.JK	115.03
7	PT. Putradelta Lestari Tbk	DMAS.JK	17.21
8	PT. PP Properti Tbk	PPRO.JK	18.83
9	PT. Danayasa Arthatama Tbk	SCBD.JK	-
10	PT. Sitara Propertindo Tbk	TARA.JK	66154.62
11	PT. Duta Pertiwi Tbk	DUTI.JK	9.11
12	PT. Jaya Real Property Tbk	JRPT.JK	7.32
13	PT. Alam Sutera Realty Tbk	ASRI.JK	7.79
14	PT. Lippo Karawaci Tbk	LPKR.JK	14.27
15	PT. Sentul City Tbk	BKSL.JK	15.48
16	PT. Pikko Land Development Tbk	RODA.JK	291.63
17	PT. Adhi Karya (persero) Tbk	ADHI.JK	8.90
18	PT. Kawasan Industri Jababeka Tbk	KIJA.JK	-
19	PT. Mega Manunggal Property Tbk	MMLP.JK	13.11
20	PT. Agung Podomoro Land Tbk	APLN.JK	3.09

Sumber: www.cnbcindonesia.com

As seen from table 1 above, there are 20 property stocks with the largest capitalization, and five stocks with low valuations were selected, based on Refinitiv's calculations, and compared with sectoral PE. These shares include shares of PT Bumi Serpong Damai Tbk (BSDE) with a capitalization value of Rp 25.34 trillion. The PE of this property company owned by Sinarmas is in the range of 7.8%. The development of the BSD City independent township is listed as a property company with the highest asset value. Then there are shares of PT Duta Pertiwi Tbk (DUTI), which also belongs to Sinarmas Land, the largest shopping center property developer such as ITC in Jabodetabek. DUTI's PE stock is in the range of 9.11x. DUTI's capitalization value is around Rp. 8.03 trillion. Another property stock that is considered cheap is PT Jaya Real Property (JRPT) with a PE of 7.32x. This property company, whose

shares are also owned by the DKI Jakarta Provincial Government, is the developer of the Bintaro City project.

Then the shares of PT Alam Sutera Realty Tbk (ASRI) have a valuation of 7.79x PE, the capitalization value of this stock reaches Rp 6.99 trillion. Then the shares of PT Agung Podomoro Tbk (APLN) with a capitalization value of Rp 3.5 trillion. APLN's valuation is also relatively cheap with a PE of 3.9x (www.cnbcindonesia.com). From the information above, researchers are interested in conducting research in the field of property and real estate listed on the Indonesia Stock Exchange because by looking at the current phenomenon, it illustrates that the property and real estate sector with the crisis that occurred in the European and American parts of the world affected on the development of the property business in Indonesia.

At this time there are various uses of indicators as a measuring tool of a variable. To determine an indicator as a measuring variable, the indicator must be able to represent the variable to be measured accurately, so that it can be scientifically accepted and justified as an appropriate indicator to measure firm value as (the dependent variable), capital structure, profitability and firm size as (independent variable). The indicator used in firm value is Tobin's Q. Tobin's Q ratio, which was first introduced by Kaldor in 1966 in his article "Marginal Productivity and the Macro-Economic Theory of Distribution: Comment on Samuelson and Modigliani". in 1968 by James Tobin, an American economist who won the Nobel Memorial Prize in Economics in 1981. One of the proxied ratios in the value of the company as seen from the value of Tobin's Q is because this measurement is at least able to provide an overview of the fundamental aspects

According to [21] states that the capital structure indicators in this study are, Debt to Equity Ratio (DER), Debt to Asset Ratio (DAR), Long-term Debt to Equity Ratio (LDER) and Long-term Debt to Assets Ratio (LDAR). . These four ratios describe own capital, long-term debt, and total assets. Investors will see this as a basis for investing their shares in the company. Knowing these three things, shareholders can see the level of risk and the level of revenue earned, this affects the level of demand for shares which also affects the value of the company. The use of the Long-term Debt to Equity Ratio (LDER) as a proxy that represents the capital structure is also used by most researchers who use capital structure in their research variables. Many studies have been carried out on the effect of capital structure on firm value. Research conducted by [27] proves that capital structure has a positive and significant effect on firm value. This research is inconsistent with research conducted by [4] stating

that the capital structure has a negative and significant effect on firm value. This means that the company uses debt as a source of corporate funding more than equity so that it affects the decline in firm value.

According to [14] Profitability as measured by return on equity or often called return on equity is a ratio that shows the company's ability to generate net income to return shareholder equity. The use of ROE as a proxy that represents profitability is used in most of the previous studies that used profitability as a variable in their research. Many studies on profitability have been carried out. Research conducted by [7] proves that profitability has a negative and significant effect on firm value.

According to [12] in their research states that firm size has a positive effect on firm value. This is because large companies require more capital costs than small companies. Large companies have various advantages over small companies.

Based on the background of the problem in this study, the formulation of the problem in this study is to determine whether capital structure, profitability and company size individually affect the value of issuers in the property and real estate sector on the Indonesia Stock Exchange for the period 2012-2018. While the goal to be achieved is to find out and obtain empirical evidence of the influence of capital structure, profitability and firm size on firm value in property and real estate sector companies listed on the Indonesia Stock Exchange for the period 2012-2018.

THEORITICAL REVIEW

Review of Previous Research Results [9] analysis results state that profitability has a significant positive effect on capital structure, size has a significant positive effect on capital structure, capital structure has a significant positive effect on firm value, profitability and firm size have an indirect effect on firm value with capital structure as an Intervening variable

Has The results of [5] state that profitability has a significant positive effect on firm value, leverage has a significant negative effect on firm value, and firm size has a significant positive effect on firm value.

The results of [25] analysis state that profitability has a significant positive effect on firm value, capital structure has a significant positive effect on firm value, and firm size has no significant effect on firm value.

The results of the analysis of [28] stated that profitability had a significant positive effect on firm value, while liquidity and firm size had an insignificant negative effect on firm value.

The results of [15] state that sales growth has a significant positive effect, company size has an insignificant negative effect on profitability, profitability and capital structure has a positive effect significant effect on firm value, sales growth and firm size have a negative and insignificant effect on firm value. Profitability is able to mediate the effect of capital structure and sales growth based on firm value. But profitability is not able to mediate the effect of firm size on firm value.

The value of the company. Firm value is an investor's perception of the company, which is often associated with stock prices. High stock prices make the value of the company increase. The main purpose of the company according to the theory of the firm is to maximize the wealth or value of the company [11].

According to [3] there are several approaches to ratio analysis in market value assessment, consisting of the price earning ratio (PER), price book value ratio (PBV), market book ratio (MBR), dividend ratio, and dividend payout ratio (DPR) and Tobin's Q by comparing the ratio of the company's stock market to the total value of the company's assets. According to [17] explaining that the value of the company is indicated by using the value of Tobin's Q. The higher the value of Tobin's Q, the better the level of market confidence in the company's prospects in the future.

$$Q=(MVE+D)/TA$$

Keterangan:

Q = Nilai Tobin's Q
TA = Total asset
MVE = Market Value
D = Total Debt

Capital Structure. The capital structure according to [6] explains that the form of the company's financial proportion is between the capital owned which comes from long-term debt (long-term liabilities) and shareholder's equity which is a source of financing for a company. So the capital structure is a combination of the company's sources of funds used as a source of company financing.

The capital structure is a combination of debt and equity in the company's long-term financial structure, unlike the debt ratio which only describes the long-term target composition of debt and equity in a company [18] concluded that the capital structure is the financial proportion between short-term debt, long-term debt and own capital used for the company's expenditure needs.

A number of previous opinions lead to the development of the so-called trade-off theory of debt. Companies balance the benefits of funding and debt with higher interest rates and bankruptcy costs [3]. The costs of debt result from the increased probability of bankruptcy caused by debt obligations which depend on the level of business risk and financial risk, agency costs and control of company

actions, costs associated with managers who have more information about the company's prospects than investors [22].

Variables included in the capital structure can reflect the ratio between debt, equity and assets, which are the components of the capital structure is the Long Term Debt to Equity Ratio (LDER). Long Term Debt to Equity Ratio (LDER) is a ratio used to measure how big the ratio is between long-term debt and own capital or how much long-term debt is guaranteed by own capital [21]

$$\text{LDER} = \frac{\text{Total Hutang Jangka Panjang}}{\text{Total Ekuitas}}$$

Keterangan:

Longterm Debt to Equity :Hutang Jangka Panjang
Total Ekuitas :Total Modal

Profitability. According to [20] explaining that profitability is the company's ability to earn profits in relation to sales, total assets, and own capital. [18] "Profitability ratios, describe the company's ability to generate profits". So the results of profitability can be used as a benchmark or an illustration of the effectiveness of management performance in terms of profits compared to the company's sales and investment results. According to [18] states that the development called Signaling theory is based on the assumption that managers have better information about their company's investment opportunities than investors and managers' actions are based on the best interests of existing shareholders.

According to [18], signaling is an action taken by the company's management that provides instructions for investors about how management views the company's prospects. Companies with favorable prospects will try to avoid selling shares and seek new capital in other ways, such as by using debt. This theory is based on the assumption that managers and shareholders do not have access to the same company information. The profitability ratio shows the company's success in generating profits, this ratio is called the Return On Equity (ROE) ratio. ROE explicitly measures the level of net income earned by the owner of the company on the capital invested. The Return On Equity formula is as follows:

$$\text{ROE} = \text{EAT}/(\text{Total Ekuitas})$$

Keterangan:

ROE : Return On Equity
EAT : Laba Bersih Setelah Pajak
Total Ekuitas : Total Modal

Company Size. According to [3] explains that the size of the company is the size of a company that is indicated or assessed by total assets, total sales, total

profits, tax expense and others. Company size can be assessed from several aspects. The size of the company size can be based on the total value of assets, total sales, market capitalization, number of workers and so on.

The greater the value of these items, the greater the size of the company, the greater the assets, the more capital invested, the more sales, the more turnover of money and the greater the market capitalization, the greater the company is known to the public.

According to [16] the formula for company size is:

$$\text{SIZE} = \ln \text{ Total Aset Perusahaan}$$

Keterangan:

SIZE : Ln (Logaritma natural)
Total Aset : Aset lancar ditambah aset tidak lancar.

Based on the description above, the essence of this research is how the influence of capital structure, profitability and firm size on firm value. This is supported by previous research which states that capital structure, profitability and firm size have a significant effect on firm value. Then researchers can formulate research hypotheses:

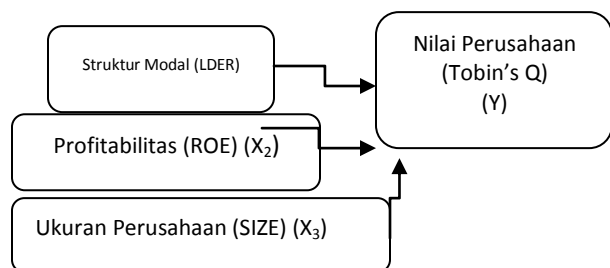
H1: LDER does not have a negative effect on the value of issuers in the property and real estate sector on the Indonesia Stock Exchange for the period 2012-2018.

H2: ROE has a positive effect on the value of listed companies in the property and real estate sector on the Indonesia Stock Exchange for the period 2012-2018.

H3: SIZE has a negative effect on the value of listed companies in the property and real estate sector on the Indonesia Stock Exchange for the period 2012-2018.

This relationship is illustrated in the following research paradigm:

Gambar 1
Gambar Paradigma Penelitian



Keterangan:

TOBIN'S Q : Nilai Perusahaan
LDER : Struktur Modal

ROE : Profitabilitas
SIZE : Ukuran Perusahaan

RESEARCH METHODS

Research design

The object of this research is the value of the company. The subjects of this research are companies in the property and real estate sector which are listed on the Indonesia Stock Exchange (IDX). This type of research is causality. According to [19] states causality research design is a research design that is structured to examine the possibility of a causal relationship between variables. In this design, the cause and effect relationship is generally predictable by the researcher, so that the researcher can state the classification of causal variables, intermediate variables, and dependent (dependent) variables. This study aims to examine the effect of the independent variables, namely funding decisions, profitability and dividend policy on the dependent variable, namely firm value. The financial data needed by the research was obtained from financial reports for the period 2012-2018.

This study uses panel data. Panel data is a combination of time series data and cross section data [2]. The data analysis method used in this study is a quantitative method. This research data analysis method uses linear regression analysis of panel data with processing techniques

The data uses descriptive statistical analysis, namely analyzing various statistical bases by reading the available tables, graphs or numbers and then doing some descriptions or interpretations of these data [24]. The data collection technique in this research is the documentation method or also the archival method related to the data used in this study, the data required consists of secondary data. The data in this study were obtained by collecting empirical data in the form of data sources made by the company in the form of an annual report obtained from the official website of the Indonesia Stock Exchange contained in www.idx.co.id and www.ticmi.co.id and search for online journal facilities from the Google Scholar website www.scholar.google.co.id.

Population and Research Sample

The population of this study is the consumer goods industrial sector companies listed on the Indonesia Stock Exchange for the period 2012-2016, totaling 53 issuers. According to [23] states that: "purposive sampling is a technique for sampling data sources with certain considerations." The reason for using the purposive sampling technique is because not all samples have criteria that match the phenomenon under study. Therefore, the authors chose the Purposive Sampling technique which stipulates certain considerations or criteria that must be met by the samples used in this study.

The sample of companies that were successfully obtained were 30 companies with a total of 210 data with 7 years of research that met the criteria to be used as samples. The sampling criteria in this study are as follows:

1. Is a consumer goods company listed on the Indonesia Stock Exchange during the period 2012 – 2018. If the company in that year is delisted, the company is not sampled.
2. Consumer goods companies that publish annual financial reports ending on December 31 for the period 2012 – 2018.
3. Consumer goods companies that are not delisted and have complete data according to the needs of the author during the period 2012 – 2018.

Analysis Method

The analysis technique used in this research is the Random Effect Panel Data Estimation Method and Fixed Effect. The first thing to do is to determine the correct panel data regression estimation model/method in this study, between fixed effects, or random effects, using the Hausman test. Then proceed with classical assumption test consisting of Multicollinearity using Correlation Matrix test, Autocorrelation using Durbin Watson test and cross section, Heteroscedasticity using LR Test Cross section and Period Test, Fixed Effect Model Test (final) and then continued with Significance Test with Coefficient Test Determination and T Test. After that is interpretation.

RESEARCH RESULTS AND DISCUSSION

Data Analysis Results

Selection of Regression Estimation Model. With prob value. Chi-square cross-section is 0.0012 in other words below 0.05 in the Hausman test results, indicating that the fixed effect model (final) is better to use than the random effect model. Then the prob value is 0.0000 (less than 0.05) on the Hausman test results, indicating that the more appropriate method used in panel data analysis in this study is the fixed effect model (final). Based on the test results, the researcher used the fixed effect model (final) as the panel data regression estimation model in this study. Classic assumption test. The following are the results of the classical assumption test in this study:

Analisis Data	Nilai	Ketentuan	Arti
Uji Multikolinearitas			
Matriks Korelasi			
LDER - ROE	0,346104	Kurang dari 0,8	Tidak terdapat masalah multikolinearitas
LDER - SIZE	0,265043	Kurang dari 0,8	
ROE - LDER	0,346104	Kurang dari 0,8	
ROE - SIZE	0,096372	Kurang dari 0,8	
SIZE - LDER	0,265043	Kurang dari 0,8	
SIZE - ROE	0,096372	Kurang dari 0,8	
Uji Heteroskedastisitas			
Uji LR Test Cross-Section	0,0000	Lebih kecil dari Prob (dengan 0,05)	Terjadi heteroskedastisitas
Uji LR Period Test	0,9993	Lebih besar dari Prob (dengan 0,05)	Tidak terdapat masalah heteroskedastisitas
Uji Autokorelasi			
Uji Durbin-Watson			
Nilai DW	1,949457	Lebih besar dari dU (1,79326) dan Lebih besar dari 4-dU (2,20674)	Tidak terdapat masalah autokorelasi
		Lebih besar dari 4-dl (2,20674) dan lebih kecil dari dl (1,75438)	
Uji Cross Correlation			
Breusch-Pagan LM	0,0000	Lebih kecil dari 0,05	Terjadi autokorelasi

Source: Data Processed Results Eviews 10 Regression Equation. The following are the results of the regression estimation using the Fixed Effect Model (Final) on the data studied after the classical assumption test was carried out:

Tabel 3 Hasil Regresi Linear dengan Fixed Effect Model (Final)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	12.75422	0.600337	21.24510	0.0000
LDER	-0.078410	0.046075	-1.701789	0.0906
ROE	0.576198	0.239736	2.403465	0.0173
SIZE	-0.394593	0.020916	-18.86518	0.0000
Effects Specification				
Cross-section fixed (dummy variables)				
Weighted Statistics				
R-squared	0.908998	Mean dependent var	2.876732	
Adjusted R-squared	0.892546	S.D. dependent var	1.981968	
S.E. of regression	0.496594	Sum squared resid	43.64925	
F-statistic	55.25046	Durbin-Watson stat	1.498254	
Prob(F-statistic)	0.000000			
Unweighted Statistics				
R-squared	0.649413	Mean dependent var	1.255903	
Sum squared resid	46.95284	Durbin-Watson stat	1.906204	

Sumber: Data Hasil Olahan Eviews 10

Based on the results above, the regression equation for the consumer goods industry sector during 2012-2018 is as follows:

$$\text{Tobin's } Q = 12,75422 - 1,701789\text{LDER} + 2,403465\text{ROE} - 18,86518\text{SIZE} + e$$

The constant value of 12.75422 indicates that if the LDER, ROE and SIZE are equal to zero, then the firm value is positive. The firm value is positive, meaning that the firm value will remain positive at 12.75422 units even though the LDER, ROE and SIZE values are 0 (zero).

Hypothesis Test Results. The following are the results of hypothesis testing in this study, which consist of the t-test, and the Coefficient of Determination.

Uji t (Uji Signifikansi Individual)	t-Statistic	Nilai prob.	Hasil
LDER berpengaruh negatif tidak signifikan terhadap nilai perusahaan emitenproperty dan real estate di Bursa Efek Indonesia periode 2012-2018	-1,701789	0,0906	Ditolak
ROE berpengaruh positif signifikan terhadap nilai perusahaan emitenproperty dan real estate di Bursa Efek Indonesia periode 2012-2018	2,403465	0,0173	Diterima
SIZE berpengaruh negatif signifikan terhadap nilai perusahaan emitenproperty dan real estate di Bursa Efek Indonesia periode 2012-2018	-18,86518	0,0000	Ditolak
Uji Koefisien Determinasi		Adj. R-Squared (R²)	Hasil
Kemampuan model dalam menerangkan variabel dependen	0,892546		Kemampuan dari seluruh variabel independen pada penelitian ini (LDER, ROE dan SIZE) dalam menjelaskan variasi dari variabel dependen (nilai perusahaan) adalah sebesar 89,25%, sedangkan sisanya 10,75% dijelaskan oleh variabel independen lainnya yang tidak dimasukkan ke dalam model penelitian ini

Tabel 4 Hasil Uji Hipotesis

Sumber: Data Hasil Olahan Eviews 10

DATA INTERPRETATION

The Effect of Capital Structure on Firm Value

The results of this study indicate that the capital structure (Long Term Debt Equity Ratio) has an insignificant negative effect on firm value. to finance investment activities has a negative impact on firm value. Because the sale of property and real estate takes a long time, the use of debt can cause interest expenses that cannot be immediately covered by an increase in the selling price of the property. So that the use of sustainable debt can reduce the profitability and value of the company and the value of the property company. The results of this study support the initial hypothesis, namely H1: capital structure has no negative effect on firm value.

The results of this study are consistent with the research of [1], where capital structure has a negative effect on firm value. The results of this study are not

consistent with research by [15] which states that capital structure has a positive effect on firm value.

The Effect of Profitability on Firm Value

The results of this study indicate that ROE has a significant positive effect on Tobin's Q, it is shown that the ROE probability result is 0.0173 less than 0.05, where a positive ROE value can increase firm value. It can be said that the level of profitability is very important for investors in determining investment decisions.

The results of this study are in accordance with the Signaling Theory, where profitability as measured by ROE is a ratio that shows the company's ability to generate net income to return shareholder equity. Where the higher the ROE, the higher Tobin's Q as a measure of firm value. The results of this study support the initial hypothesis, namely H2: profitability has a positive effect on firm value. The results of this study are consistent with the results of research conducted by [13] which states that profitability has a positive effect on firm value. The results of this study are inconsistent with [8] research which states that profitability has a negative effect on firm value.

The Effect of Firm Size on Firm Value

The results of this study indicate that SIZE has a significant negative effect on Tobin's Q, it is shown that the probability result of SIZE 0.0000 is smaller than 0.05, where the larger the company, the lower the value of the company. Thus, large companies tend to be inefficient in their management.

The results of this study support the initial hypothesis, namely H3: firm size has a negative effect on firm value. The results of this study are consistent with the results of research conducted by [10] [26] stating that firm size has a negative effect on firm value.

CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the research that has been done and explained in the previous chapters, the following conclusions can be drawn:

1. Capital structure has no significant negative effect on the value of property and real estate companies. Property and real estate companies that use debt a lot tend to be of low value, because the sale of this property and real estate takes a long time and cannot adjust the selling price according to the growing interest expense with items that have not been sold.
2. Profitability has a significant positive effect on the value of property and real estate companies, where the higher the profitability, the expected

dividends will increase, stock prices will increase, and firm value will increase.

3. The size of the company has a significant negative effect on the value of the property and real estate company, where the company must pay attention to efficiency in its management.

Suggestion

The suggestions that can be given to improve this research in the future are divided into operational suggestions and suggestions for developing knowledge, namely:

1. Operation. For Property and Real Estate Companies, So that the interest expense does not continue to increase, the sale of property and real estate must be sold quickly. Due to the increasing interest expense with a small increase in the selling price, the company's debt continues to grow.
2. Science Development. For further research, it is recommended to develop financial statements that are more complete and for a longer period. Adding more independent variables and also conducting broader research in terms of external factors that support the research being researched and also so that this research is also useful for researchers who want to invest in the stock market.

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