JURNAL AKUNTANSI DAN KEUANGAN UNIVERSITAS JAMBI
Vol. 11 No. 01 January - March: 28 – 41
e-ISSN 2460-6235
p-ISSN 2715-5722
https://online-journal.unja.ac.id/jaku

Determinants of Firm Value: The Role of Capital Structure, Leverage, Growth, Dividend Policy, and Profitability in Property Companies Listed on the IDX

By:

Sartika[1]*, Aditya Pradana[2], Eka Julianti Efris Saputri[3], Liona Efrina[4]
[1,2,3,4)]*Universitas Adiwangsa Jambi, Jambi, Indonesia*

Email : tikamendalo@email.com[1)]

ARTICLE HISTORY:

Submission Date: November 17th, 2026

Accepted Date: January 5th, 2026

Copyright (c) 2026 JAKU E-Journal

ABSTRACT

This research aims to analyze the influence of capital structure, leverageleverage, company growth, dividend policies, and profitability on the value of companies in the property and real estate sectors listed on the Indonesia Stock Exchange (IDX) for the period 2021–2023. This sector was chosen because of its strategic role in the national economy and its positive growth amid global pressure. The value of the company, as an indicator of the performance and attractiveness of investors, is influenced by the internal financial conditions that reflect the sustainability of the business. Using a quantitative approach and data from 23 property and real estate companies that meet the sample criteria of the total population of 92 companies, analyzed using multiple linear regression with softwareIBM SPSS software. The results showed that the structure of capital, leverage, dividend policy, and profitability had a significant effect on the value of the company, supporting signal theory. However, the growth of the company has no significant influence, in contrast to some previous studies. This research provides empirical evidence of the factors that determine the value of the company in the property and real estate sectors in Indonesia, which can be a consideration for management, investors, and subsequent researchers.

Keywords: *Capital Structure, Leverage, Dividend Policy, Profitability, Firm Value*

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh struktur modal, *leverage*, pertumbuhan perusahaan, kebijakan dividen, dan profitabilitas terhadap nilai perusahaan pada sektor properti dan real estate yang terdaftar di Bursa Efek Indonesia (BEI) periode 2021–2023. Sektor ini dipilih karena perannya yang strategis dalam perekonomian nasional dan pertumbuhannya yang positif di tengah tekanan global. Nilai perusahaan, sebagai indikator kinerja dan daya tarik investor, dipengaruhi oleh kondisi internal keuangan yang mencerminkan keberlanjutan usaha. Dengan menggunakan pendekatan kuantitatif dan data dari 23 perusahaan properti dan real estate yang memenuhi kriteria sampel dari total populasi 92 perusahaan, dianalisis menggunakan regresi linear berganda dengan *software* IBM SPSS. Hasil penelitian menunjukkan bahwa struktur modal, *leverage*, kebijakan dividen, dan profitabilitas berpengaruh signifikan terhadap nilai perusahaan, mendukung teori sinyal. Namun, pertumbuhan perusahaan tidak memiliki pengaruh signifikan, berbeda dengan beberapa penelitian sebelumnya. Penelitian ini memberikan bukti empiris mengenai faktor-faktor yang menentukan nilai perusahaan pada sektor properti dan real estate di Indonesia, yang dapat menjadi bahan pertimbangan bagi manajemen, investor, dan peneliti selanjutnya.

Kata Kunci: Struktur Modal, Leverage, Kebijakan Dividen, Profitabilitas, Nilai Perusahaan

1. INTRODUCTION

1.1 Background

The sphere of property and real estate stands as a consequential sector, indispensable in satisfying mankind's primary needs. In today's rapidly evolving era of globalization, this sector's existence is inseparable from development activities, which continue to increase and significantly impact its growth. Indonesia's growing population drives demand for housing, creating promising business opportunities in this sector. Corporations active in the property and real estate sphere exhibit pronounced potential for augmentation and serve as catalysts in invigorating the nation's economic trajectory. However, increasing competition between companies demands the implementation of effective and innovative management strategies to maintain competitiveness and drive company growth (Amin & Rahmawati, 2023).

The property and real estate sector in Indonesia is projected to continue growing in 2024, despite facing challenges from global economic pressures. This sector is among the top ten sectors that have never experienced negative growth, despite a decline in bank credit for housing (Home Ownership Loans/KPR). This growth is supported by high demand for housing, as reflected in the list of home orders reaching 12.71 million people, particularly among the younger generation. Furthermore, government incentives have also driven this increase in demand. Based on the presentation in the Economic & Property Outlook 2023 Webinar, the property and real estate industry has succeeded in attracting significant investor interest. This sector is seen as a desirable investment instrument due to its potential for consistent asset value increases, low price fluctuations, and relatively low risk. This condition is reflected in the positive growth of property and real estate companies listed on the Indonesia Stock Exchange (IDX). (Gustiyah & Sihono, 2023).

The Masterplan for the Acceleration and Expansion of Indonesian Economic Development (MP3EI) is a national strategy to accelerate and expand Indonesia's economic development over a 15-year period, which is part of the implementation of the 2005–2025 National Long-Term Development Plan (RPJPN). MP3EI serves as a reference or instrument for ministers and heads of non-ministerial government institutions in establishing sectoral policies according to their respective fields of work. In addition, MP3EI also serves as a guideline for provincial and district/city governments in formulating policies for the acceleration and expansion of economic development in their regions. With this strategic framework, it is hoped that synergy between the central and regional governments can be realized, thereby encouraging equitable and sustainable economic growth throughout Indonesia (Saputra, 2014).

Investing in the property and real estate sector is a long-term investment with promising prospects. This sector tends to grow in line with economic growth, with the value of land, buildings, and houses increasing annually, primarily due to Indonesia's high population growth, which drives demand for land and housing. This situation is attractive to investors. However, when investing, both prospective investors and investors who already own shares need to carefully analyze the company's prospects to make informed decisions. Similarly, companies need to analyze their business prospects to develop strategies that can attract investors, increase share value, and ultimately generate higher profits. (Akbar & Djawoto, 2021).

Activity in the property and real estate industry serves as a significant catalyst in fostering economic growth in Indonesia. Increased activity in this sector can have a multiplier effect on various other sectors. The growth of the property and real estate sector is characterized by increases in land and building prices, which are generally higher than the annual inflation rate, thus attracting investor interest. Indonesia also has a significant middle class growth. As incomes, education levels, and purchasing power increase, people tend to consider career paths and the need to own a home earlier. This increases demand for property. Furthermore, real estate, as a real asset, is an effective instrument for protecting wealth from inflationary pressures, as companies with competitive advantages are able to adjust their product prices when inflation rises (Rosalia et al., 2022).

The property and real estate sector is not only an attractive long-term investment instrument but also serves as a hedge against inflation. Recent findings indicate that stocks in this sector in Indonesia, even those not yet profitable, are able to mitigate the negative impact of inflation and interest rate fluctuations. Furthermore, the property sector has a significant

multiplier effect on the economy, as it employs a large workforce and maintains strong linkages with other sectors through the supply chain and associated economic activity (Nurdina et al., 2024).

According to cnbcindonesia.com, in 2021, the property sector could be said to have just begun to recover. Because it's only recently recovered, growth is still very limited. This very limited growth is due to the fact that public consumption has not yet recovered, considering that Indonesia has been hit by the Covid-19 outbreak since 2020. However, several companies have successfully posted positive performance in 2021. The property stock with the largest market capitalization on the stock exchange is PT Pakuwon Jati Tbk (PWON), which successfully posted a net profit of IDR 236 billion, a 400% growth compared to the same quarter in 2020. Then, followed by PT Bumi Serpong Damai Tbk (BSDE), which successfully posted a profit of IDR 588 billion, although only a 115% increase. Furthermore, PT Lippo Karawaci Tbk (LPKR) managed to achieve a net profit of IDR 255 billion in the first quarter of 2021. The issuer still in the red is PT Indonesian Paradise Properti Tbk (INPP), which still lost IDR 41 billion. One of the reasons PT INPP experienced losses was the Covid-19 pandemic, followed by the government's implementation of PPKM (Enforcement of Restrictions on Community Activities), which also hampered property development activities. The Covid-19 pandemic significantly impacted investment, resulting in a decline (Mazid et al., 2022).

Furthermore, Indonesia still faces a housing shortage of approximately 12.1 million units. This was conveyed by President Jokowi Widodo at the opening of the Indonesian Real Estate National Conference (REI). The sphere of property and real estate is likewise esteemed among investors trading on the Indonesia Stock Exchange. This occurrence has led academics to surmise that the sector is a judicious avenue, owing to its progressive escalation each successive year. Indonesia's large housing deficit creates an interesting phenomenon in the property and real estate sector. Its growth potential is significant, attracting investor interest, but it also presents challenges and risks that must be considered. The government's role in creating policies that support the sustainable growth of this sector is crucial. Further research is needed to analyze market dynamics, investment trends, and the impact of government policies on the property sector in Indonesia in depth (Ester & Hutabarat, 2020).

Companies play a central role in driving economic growth. Their primary goal is to maximize company value, as this increase reflects the wealth of owners or shareholders. This is reflected in rising share prices, an indicator of growing company value. Companies with high valuations usually receive greater appreciation from potential investors, because they see the potential for profitable returns on capital (Ananda & Sari, 2023).

The growth of the property and real estate sector is also evident from the sample data used in the company value based on Price to Book Value (PBV). In 2020, the property and real estate sector experienced a mean downturn of 105.44%, followed by an average rebound to 100.98% in 2021 after the implementation of Large-Scale Social Restrictions (PSBB) in Indonesia. Yet, by 2022, company values in this sector fell again, averaging 99.26%. The cessation of the Government-Borne VAT (PPN DTP) incentive, coupled with the pressures of global recessionary trends, significantly affected the industry's outlook for sustainable expansion. Global economic uncertainty is encouraging investors and consumers to be more cautious in making decisions, including regarding property investment. This has the potential to slow the rate of sales and development of new projects in the property and real estate sector (Vianti et al., 2023).

A company must be able to develop its business through its capital structure. In this case, competition between companies must be able to prosper its shareholders and employees. Carrying out financial management functions is something that can be done to achieve company goals. Companies that have gone public certainly need funds to develop their businesses. Companies can obtain funds from within the company (own capital) or from outside the company (foreign capital), in addition to business results or the company's operating income. Corporate financing avenues are delineated into internal and external origins. Internally derived funds are those cultivated by the enterprise itself, such as accumulated profits and depreciation reserves. Conversely, externally sourced capital stems from creditors, proprietors, and equity participants or shareholders of the firm. External sources of funds are debt and the company's owner's capital. Financial resources derived from either internal or

external origins ultimately configure the firm's capital composition (Brigham & Houston, 2019).

Companies with unhealthy capital structures, particularly those with a very high proportion of debt, will face heavy financial burdens. These burdens primarily stem from high interest and principal payments, which can disrupt cash flow and financial stability. Hence, whether a capital structure is efficient or deficient has an immediate bearing on a company's financial condition and its endurance in maintaining long-term outcomes. The orientation of capital structure policy is contingent upon diverse elements, including stability of sales, composition of assets, degree of operating leverage, growth trajectory, earnings capacity, taxation load, governance aspects, managerial stance, creditor outlook, market environment, internal organizational state, and flexibility of financing. These factors will determine the optimal ratio between equity and foreign capital, enabling the company to minimize the cost of capital and maximize company value (Seruni, 2022).

Institutions generally use debt to finance their operational activities. Leverage is characterized as the quotient signifying the bond between a firm's indebtedness and its asset aggregate. This indicator reveals the degree of reliance on external parties and internal equity strength. Rising leverage ratios signal deeper dependence on outsiders, amplifying susceptibility to fiscal hazards (Sari et al., 2022). Companies with large amounts of debt face higher financial risks, particularly related to their ability to repay interest and principal. A high debt ratio can put pressure on a company's cash flow, increasing the likelihood of default if revenues are insufficient to cover these obligations (Irawan et al., 2022).

This impacts the profitability of investors who invest their money in the company. A decline in investor interest will impact the company's future value (Kolamban et al., 2020). Upon engaging in borrowing activity, a firm undertakes recurring obligations in the form of interest disbursements, followed by a commitment to restore principal funds initially obtained. Even if the company's profits increase, the debtor still receives only fixed interest payments, so all profits go to the shareholders. Conversely, if a company's profits decline, shareholders must bear all losses. During difficult times, companies with high debt are more likely to go bankrupt. If shareholder welfare is high, this welfare will decrease, so potential investors may perceive a negative signal and be cautious about investing in companies with high leverage. If this occurs, the company's value will decline (Susesti & Wahyuningtyas, 2022). Growth is also a factor influencing company value, namely the increase or decrease in a company's total assets. Information about company growth is generally responded positively by investors, as growth reflects good future business prospects. This positive response can drive increased demand for a company's shares in the capital market, leading to higher share prices and ultimately increasing company value (Fajriah et al., 2022).

The next factor influencing company value is dividend policy. Within corporate financial management, dividend policy represents a critical decision framework: whether profits are distributed to equity holders in the form of dividends or preserved as earnings to support reinvestment and long-term growth. Dividend policy also reflects the signal management sends to the market. Signaling theory states that companies that distribute dividends demonstrate management's confidence in future financial prospects (Triyonowati & Maryam, 2022). Therefore, the decision to distribute or retain earnings must consider the balance between shareholder interests and the company's long-term strategy. Therefore, dividend policy not only impacts current cash flow but also has consequences for investor perceptions, capital structure, and future company value.

The final factor influencing company value is profitability. At its essence, profitability signifies the enterprise's faculty to produce net gains through the enactment of operational schemes and managerial judgments, most often realized via sales undertakings. Elevated profitability mirrors the firm's proficiency in harnessing resources effectively. Furthermore, substantial profitability projects an encouraging message to investors, suggesting the company's competence in offering amplified returns, whether in dividend form or through rising equity value in the marketplace. Corporations capable of sustaining high profits, indicative of commendable performance, frequently secure affirmative investor reactions, thereby propelling share prices upward (Rosalia et al., 2022).

Based on this increase in development activity, it can be concluded that there is a significant market share in the property and real estate sector in Indonesia. Therefore, this sector is

seen as a relevant phenomenon to be used as a research object. Previous research has used manufacturing companies as a population. Based on the description above, this study is entitled "The Role of Internal Financial Factors: Capital Structure, Leverage, Company Growth, Dividend Policy, and Profitability on Company Value.

1.2 Research problem

Research inquiries pursued within this study, grounded in contextual background, are articulated as:

1. Does financial structure affect corporate valuation?
2. Does indebtedness determine corporate valuation?
3. Does enterprise expansion alter corporate valuation?
4. Does payout policy contribute to corporate valuation?
5. Does earning capacity influence corporate valuation?

2. LITERATURE REVIEW

2.1. *Grand Theory*

Company value in this study is explained using Signaling Theory, first proposed by Spence in *Job Market Signaling.* According to Spence (1973) in Nursanita (2019:157), a signal is information provided by the information owner (the sender) to another party (the recipient) in the form of relevant information that can be used in decision-making.

According to Ningrum (2022), there are several methods used to measure company value. Some of these measures include the following:

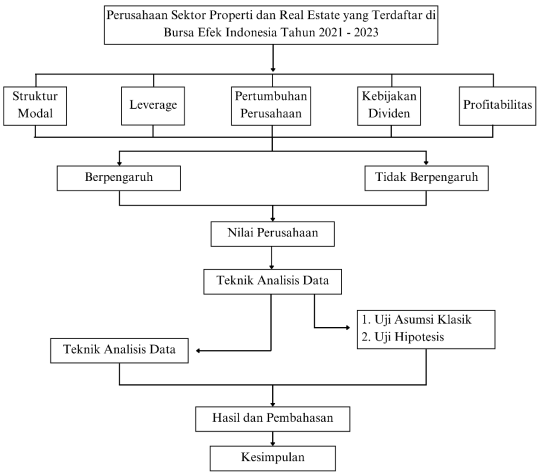
$$PBV = \frac{\text{Price per share}}{\text{Book velue per share}}\ x\ 100\%$$

In this research, firm value is gauged using the Price to Book Value (PBV) ratio. PBV was selected as a proxy since it is regarded as a more objective reflection of both fundamental conditions and market sentiment toward a company's performance and future outlook. PBV ratio functions as a comparative measure, aligning share market valuation against recorded book worth per unit. A higher PBV denotes favorable market appraisal, interpreted as investor confidence in the firm's capacity to generate value going forward. Moreover, employing PBV in this study assists management in evaluating investor perceptions of corporate performance. This metric also encapsulates the linkage between profitability, book value, and share price, making it a vital indicator of corporate standing and investment appeal.

2.2. Framework

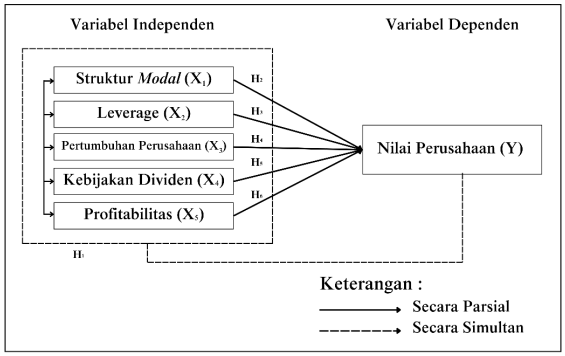
A conceptual framework is a visual or narrative representation of the relationships between concepts and variables in a study. It helps researchers understand and explain research problems, formulate hypotheses, and plan data collection and analysis.

***Image 2. 1* Framework**



More briefly, the research model used in the research is as follows:

Image 2. 2 Research Model



2.3 Hypothesis

A hypothesis is a statement about the alleged logical relationship between two or more research variables, expressed in the form of a testable statement. Therefore, based on the theory explained above, the hypothesis in this study is as follows:

H1a: X1 affects firm value.
H2a: X2 affects firm value.
H3a: X3 affects firm value.
H4a: X4 affects firm value.
H5a: X5 affects firm value.

3. RESEARCH METHODOLOGY

3.1 Data Types and Sources

The dataset underpinning this investigation originates from secondary sources already in existence. Such data, by definition, are not furnished directly to the researcher but are accessed via intermediaries or designated media. Within this study, secondary information was gathered from reference texts, scientific journals, official records, and pertinent online sites (Sugiyono, 2022). The specific measures employed, Return on Assets (ROA) also Price Book Value (PBV), were extracted from the financial disclosures of property and real estate enterprises registered on the Indonesia Stock Exchange across the 2021–2023 period of observation.

3.2 Method of collecting data

The modes of data acquisition adopted in this investigation are documentation and library inquiry, described as follows:

Documentation Approach: Collecting, cataloguing, and reviewing secondary materials, specifically annual reports of property and real estate enterprises disseminated by the Indonesia Stock Exchange.

Library Inquiry: Engaging in a literature survey through the exploration and critical examination of journals, magazines, and other relevant written works aligned with the research focus.

3.3 Population and Sample

A population may be understood as a generalized set of entities, objects or subjects, endowed with qualities and characteristics specified by the researcher for study (Sugiyono, 2022). For the purposes of this inquiry, the population comprised property and real estate enterprises listed on the Indonesia Stock Exchange (IDX) during the years 2021 to 2023. Under these conditions, the population encompassed 92 companies.

A sample is a subset of the population selected using specific techniques with clear characteristics and deemed representative of the population (Sugiyono, 2022). The sampling design in this investigation utilized a non-probability framework with purposive sampling, a strategy that selects cases according to explicit criteria defined by the researcher (Sugiyono, 2022). The criteria guiding sample selection in this study are presented below:

Table 3.1 Sample Selection with Criteria

No	criteria	amount
1	Property and real estate sector companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2023 period.	92
2	Companies that do not have complete financial reports for the 2021-2023 period	(14)
3	Companies that did not distribute dividends during the 2021-2023 period	(55)
Number of samples according to criteria		23
Observation year		3
Number of samples during the research period		69

3.4 Operational Variables

Dependent Variable

In this investigation, the dependent variable is firm value, understood as market value, given its role in enhancing shareholder wealth through stock price appreciation. Firm value is proxied by the Price to Book Value (PBV) ratio, which conveys the market's perception of a company's standing, managerial competence, and growth capacity. The PBV ratio is defined as

$$PBV = \frac{\text{Price per share}}{\text{Book value per share}} \times 100\%$$

Independent Variables

Capital Structure

Within corporate financial framework, capital configuration stands as integral component. Usual quantification utilizes Debt-to-Equity Ratio (DER), ratio aligning cumulative debt liabilities against equity resources. DER articulated in percentage terms, with calculation expressed through formula presented below:

$$DER = \frac{Total\ \text{debt}}{Total} \times 100\%$$

Leverage

Debt Ratio variable functions as evaluative construct, capturing balance between cumulative debt and asset portfolio. In interpretive terms, ratio signifies fraction of firm's asset structure underwritten by debt financing, while simultaneously signaling extent to which indebtedness shapes managerial control over asset deployment. The formula is as follows:

$$Debt\ to\ Asset\ Ratio = \frac{Total\ Debt}{Total\ Assets}$$

Company Growth

The growth rate in this study is measured using the percentage change in total assets between the previous year (t-1) and the current year (t) as a proxy. This percentage change is also commonly used in research as an indicator of company growth. Mathematically, growth can be formulated as follows:

$$Percentage\ change\ in\ total\ asset\ (t) - Total\ Asset\ (t-1) = \frac{Total\ Asset}{Total\ Asset}$$

Dividend Policy

In this research, dividend policy is assessed using the Dividend Payout Ratio (DPR). DPR represents the proportion of net income distributed to shareholders as dividends within a given period (Triyonowati & Maryam, 2022). The formula applied in this study to measure dividend policy is expressed as:

$$DPR = \frac{\text{Total Dividend}}{\text{Net Profit}}\ x\ 100\%$$

Profitability

At its essence, profitability embodies the enterprise's faculty to transform invested capital into profit.

$$\text{ROA} = \frac{\text{Net Profit After Tax}}{\text{Total assets}}\ x\ 100\%$$

3.5 Data Analysis Techniques

Data analysis methods are systematic approaches used to process, analyze, and draw conclusions from research data. Analytical procedures employed encompass descriptive statistical exploration, verification of classical assumptions, application of multiple linear regression modeling, and execution of hypothesis evaluation. Examination of data in this investigation is carried out through SPSS, which facilitates both processing and the extraction of meaningful inferences. This software was chosen because it can access research data in various formats, allowing the existing data to be used directly for data analysis.

4. RESULTS AND DISCUSSION

4.1. Data Collection Results

From www.idx.co.id, it was identified that 92 property and real estate enterprises are listed on the Indonesia Stock Exchange. Out of this population, 23 companies were purposively selected as the study sample, using criteria established in accordance with research needs and presented in Table 3.1. As a result, 69 units of data, consisting of financial statements and annual reports, will be employed as the basis for empirical analysis. The criteria guiding this selection are as follows:

1. Property and real estate enterprises officially listed on the Indonesia Stock Exchange for the years 2021–2023.
2. Entities without comprehensive financial reporting across the 2021–2023 timeframe were omitted.
3. Entities that did not declare or distribute dividends during the same period were excluded.

4.2 Results and Data Analysis

In this investigation, descriptive statistics function as a tool to depict and condense the phenomena reflected in the dataset. The analysis centers on Firm Value as the dependent variable, alongside Capital Structure, Leverage, Firm Growth, Dividend Policy, and Profitability as independent variables. The descriptive statistical measures employed include maximum, minimum, mean, and standard deviation values.

Tabel 4. 1 Descriptive Statistics

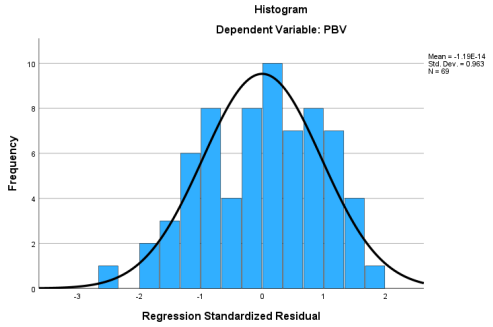
	N	Min	Max	Mean	Std. Deviation
DER	69	.30	.87	.5904	.13766
DAR	69	.20	.58	.3687	.08574
PP	69	.05	.15	.1098	.01804
DPR	69	.16	.37	.2469	.03737
ROA	69	.05	.11	.0779	.01416
PBV	69	4.42	6.75	5.6377	.52478
Valid (listwise)	N69				

Source: IBM SPSS output (Data processed by researchers, 2025)

From the descriptive statistical tests, the following patterns emerge:

a. For DER (X1), values span between 0.30 and 0.87, averaging 0.5904 with a deviation of 0.13766.
b. For DAR (X2), values range from 0.20 to 0.58, averaging 0.3687 with a deviation of 0.08574.
c. For Firm Growth (X3), values lie between 0.05 and 0.15, averaging 0.1098 with a deviation of 0.01804.
d. For DPR (X4), values extend from 0.16 to 0.37, averaging 0.2469 with a deviation of 0.03737.
e. For ROA (X5), values vary between 0.05 and 0.11, averaging 0.0779 with a deviation of 0.01416.
f. For PBV (Y), values range from 4.42 to 6.75, averaging 5.6377 with a deviation of 0.52478.

In order to ensure reliable outcomes, regression equations must adhere to fundamental classical assumptions. This entails normally distributed residuals, independence among explanatory variables without multicollinearity, constancy of variance in residuals (homoscedasticity), and the absence of autocorrelation across residuals.



Based on Table 4.2, the histogram shows a residual distribution pattern resembling a bell-shaped curve, which is characteristic of a normal distribution. The majority of the residual data is distributed symmetrically around zero, indicating that the regression model meets the assumption of residual normality.

Regression equation is considered sound only when its independent variables remain distinct and not overly correlated. Multicollinearity, the phenomenon of excessive correlation among predictors, can be uncovered by inspecting their correlation coefficients. When these coefficients reach high levels, the model suffers, as regression estimates lose stability and interpretive clarity.

Table 4.5 Multicollinearity Test Results

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	1.918	.154		12.431	<,001		
	DER	2.974	.098	.780	30.499	<,001	.966	1.036
	DAR	2.665	.159	.435	16.815	<,001	.942	1.062
	PP	1.089	.734	.037	1.484	.143	.993	1.007
	DPR	2.485	.358	.177	6.934	<,001	.970	1.031
	ROA	3.183	.953	.086	3.340	.001	.955	1.047

a. Dependent Variable: PBV

The table above shows that the VIF values for each independent variable range from 1.007 to 1.062, meaning they are less than 10. Tolerance values ranging from 0.942 to 0.993, all above the critical limit of 0.10, affirm that the regression equation does not suffer from multicollinearity. Attention then shifts to the heteroscedasticity test, designed to detect irregularities in residual variance among observations. Because unequal variance can weaken the credibility of regression analysis, the expectation is that the model remains homoscedastic. The detailed results of this examination are provided below.

Table 4.6 Heteroscedasticity Test Results

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.043	.081		.534	.595
	DER	.093	.051	.221	1.827	.072
	DAR	.106	.083	.157	1.283	.204
	PP	.339	.383	.106	.886	.379
	DPR	-.200	.187	-.129	-1.071	.288
	ROA	-.491	.497	-.120	-.986	.328

a. Dependent Variable: ABS_RES

The table above shows that the heteroscedasticity test using the Glejser test yielded significance values for the DER variable of 0.072, DAR of 0.204, PP of 0.379, DPR of 0.288, and ROA of 0.328. As every significance value lies above 0.05, the regression equation is deemed free from heteroscedasticity issues. In other words, the regression model exhibits homoscedasticity, thus this research model is considered to meet the classical assumptions of heteroscedasticity.

However, a good regression model should not experience autocorrelation, indicating that errors in one period are uncorrelated with those in other periods. The autocorrelation test was conducted using the Durbin-Watson (DW) test in this context.

Table 4.7 Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.980[a]	.960	.957	.10878	1.920

a. Predictors: (Constant), ROA, PP, DER, DPR, DAR
b. Dependent Variable: PBV

From the SPSS regression output, the Durbin–Watson (DW) statistic was obtained at 1.920. At a 5% significance level, with a sample size of 69 and five independent variables, the DW table provides a lower bound (dL) of 1.4014, an upper bound (dU) of 1.7805, and a 4–dU value of 2.2195. Since the DW statistic falls between the upper bound and 4–dU (1.7805 < 1.920 < 2.2195), the regression model is free from both positive and negative autocorrelation. Thus, the assumption of no autocorrelation is satisfied.

Study applies multiple linear regression as a means of disentangling the complex interplay between several financial indicators and firm value. The independent variables, DER, DAR, PP, DPR, and ROA, are examined in relation to PBV, which serves as the dependent variable. Through this analytical lens, the research seeks to uncover not only the collective impact of these predictors but also the unique contribution each one makes to explaining variations in PBV. The regression model further highlights the polarity of these relationships, showing whether the influence is positive, thereby enhancing firm value, or negative, thereby reducing it. Ultimately, this methodological choice allows for a nuanced understanding of how structural, growth, dividend, and profitability factors converge to shape market perceptions of firm performance.

$$PBV = 1{,}918 + 2{,}974X_1 + 2{,}65X_2 + 1{,}089X_3 + 2{,}485X_4 + 3{,}183X_5 + \varepsilon$$

1. Constant (1.918) – The intercept of 1.918 intimates that, in the hypothetical circumstance where all explanatory variables assume a value of zero, the Price to Book Value (PBV) would be anchored at 1.918.
2. DER Coefficient (2.974) – A unit augmentation in the Debt to Equity Ratio (DER) engenders an elevation of PBV by 2.974 units, ceteris paribus. This association is statistically robust, with significance confirmed at the 5% threshold (p < 0.05).
3. DAR Coefficient (2.665) – Each incremental unit in the Debt to Asset Ratio (DAR) precipitates an increase in PBV of 2.665 units, assuming other regressors remain unaltered. The relationship is likewise statistically consequential (p < 0.05).
4. PP Coefficient (1.089) – Company Growth (PP) manifests a coefficient of 1.089, suggesting a positive but tenuous contribution to PBV. The absence of statistical significance (p = 0.143 > 0.05) implies that its effect is not sufficiently persuasive within the model.
5. DPR Coefficient (2.485) – Dividend Payout Ratio (DPR) exerts a discernible influence, whereby a one-unit increment elevates PBV by 2.485 units. This nexus is statistically validated at the conventional 5% level (p < 0.05).
6. ROA Coefficient (3.183) – Return on Assets (ROA) emerges as the most potent determinant, with each unit increase amplifying PBV by 3.183 units, holding other variables constant. The relationship is statistically compelling (p < 0.05).

Application of coefficient of determination (R^2) captures degree of variability in Company Value elucidated by collective operation of predictors, Leverage, Company Growth, Profitability, Capital Structure, and Dividend Policy, within regression apparatus.

Table 4.8 Results of the Determination Coefficient Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.980[a]	.960	.957	.10878

a. Predictors: (Constant), ROA, PP, DER, DPR, DAR

The Model Summary table discloses an R Square of 0.960, a figure that conveys that 96.0% of the observed dispersion in PBV is attributable to the collective influence of DER, DAR, PP, DPR, and ROA. The residual 4.0% reflects the sway of extraneous factors beyond the regression's reach. The Adjusted R Square, standing at 0.957, illustrates that even when the number of predictors is taken into account, the model retains a formidable explanatory capacity. Thus, the regression equation may be regarded as possessing a commanding ability to illuminate variations in corporate value, as expressed through PBV.

Within regression diagnostics, t-test operates as evaluative mechanism, designed to appraise distinct influence exerted by each predictor variable upon variability observed in dependent construct. For this study, the test was applied at a 5% level of significance, using a two-sided approach (0.025 in each tail). The critical t-value was obtained from the statistical distribution table, with degrees of freedom computed as $n - k - 1$ (69 – 5 – 1 = 63). If the probability value registers below 0.05 threshold, independent variable is interpreted as exerting statistically significant influence upon dependent

construct. Detailed outcomes derived from t-test procedure are outlined in subsequent section:

Table 4.9 Partial Test Results (t)

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.918	.154		12.431	<,001
	DER	2.974	.098	.780	30.499	<,001
	DAR	2.665	.159	.435	16.815	<,001
	PP	1.089	.734	.037	1.484	.143
	DPR	2.485	.358	.177	6.934	<,001
	ROA	3.183	.953	.086	3.340	.001

a. Dependent Variable: PBV

a. DER Variable realtion to PBV Scrutiny of the coefficient outputs reveals that DER bears a significance value below 0.001, comfortably beneath the 0.05 threshold. The computed t-statistic of 30.499 towers well above the tabular benchmark (≈1.998, df = 63, two-tailed at 5%). Hence, DER demonstrably exerts a pronounced and statistically consequential partial influence upon PBV.
b. DAR Variable realtion to PBV The DAR coefficient registers a significance inferior to 0.001, again beneath the conventional α = 0.05. Its t-statistic of 16.815 surpasses the critical value, thereby attesting to DAR's substantive and significant partial effect on PBV.
c. PP Variable realtion to PBV Company Growth (PP) discloses a significance of 0.143, exceeding the 0.05 demarcation. The attendant t-statistic of 1.484 falls short of the critical threshold. Accordingly, PP's partial influence upon PBV is adjudged statistically insubstantial.
d. DPR Variable realtion to PBV Dividend Payout Ratio (DPR) manifests a significance beneath 0.001, decisively lower than 0.05. Its t-statistic of 6.934 eclipses the tabular reference, confirming DPR's meaningful and statistically validated partial effect on PBV.
e. ROA Variable realtion to PBV Return on Assets (ROA) yields a significance of 0.001, beneath the 0.05 criterion. The corresponding t-statistic of 3.340 exceeds the critical benchmark, substantiating ROA's significant partial contribution to PBV.

The F-statistic test is used to evaluate whether all Once embedded in the regression equation, the independent variables do not act in isolation but converge to shape the dependent variable. The signal of such convergence is detected when the computed F-statistic rises beyond the critical F-value drawn from the distribution table. This inquiry employs a 5% margin of error as its compass. The critical F-value is located in statistical references at α = 0.05, with df1 = k (predictor count) and df2 = n − k − 1 (sample size adjusted for predictors). If the significance probability descends below 0.05, the verdict is that the predictors, in unison, exert influence upon the dependent variable. The ensuing lines disclose the F-test findings

Table 4. 10 Simultaneous Test Results (F)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.982	5	3.596	303.937	<,001[b]
	Residual	.745	63	.012		
	Total	18.727	68			

a. Dependent Variable: PBV
b. Predictors: (Constant), ROA, PP, DER, DPR, DAR

The simultaneous test of fit (F-test) produced an F-statistic of 303.937, with a probability value of 0.001, well beneath the 0.05 margin of tolerance. This finding signals that the constellation of variables DER, DAR, PP, DPR, and ROA acts in concert to significantly determine PBV. In light of this, one may conclude that the predictors together explain the fluctuations in firm value. The null hypothesis (H_o) thus falls, and the alternative (H_a) stands, affirming a substantive joint influence of DER, DAR, PP, DPR, and ROA upon PBV.

4.3 Discussion of Research Results

First, Hypothesis test outcome indicates capital structure (X1) significance <0.001, beneath 0.05 benchmark. Observed t-statistic 30.499 surpasses critical t ≈1.998 (df=63, α=0.05, two-sided). Conclusion: H1 validated, capital structure impacts firm value (Y). High capital structure perceived as positive signal regarding corporate prospects, encouraging investor appetite, enhancing firm value. Large capital structure provides cushion against operational losses (Ananda Gz & Lisiantara, 2022)

Second, regression hypothesis testing outcome reveals leverage variable (X2) carries significance value below 0.001, a figure distinctly lower than 0.05 benchmark. Calculated t-statistic reaches 16.815, magnitude surpassing critical t-table threshold. Such evidence conveys that leverage variable exerts measurable influence upon company value (Y), thereby validating second hypothesis (H2). Interpretation suggests heightened leverage structure may be perceived as strategic signal, shaping investor perception and reinforcing valuation dynamics.

Third, regression hypothesis testing outcome demonstrates company growth variable

(X3) produces significance value of 0.143, exceeding conventional 0.05 boundary. Calculated t-statistic registers at 1.484, magnitude trailing beneath critical t-table. This statistical configuration indicates absence of meaningful impact from company growth variable upon company value (Y). Consequently, third hypothesis (H3) stands rejected, implying growth trajectory fails to provide explanatory power in valuation context.

Fourth, regression hypothesis testing outcome identifies dividend policy variable (X4) with significance value below 0.001, comfortably beneath 0.05 threshold. Calculated t-statistic records 6.934, surpassing critical t-table benchmark. Evidence substantiates dividend policy variable as influential determinant of company value (Y), leading to acceptance of fourth hypothesis (H4). Interpretation underscores that consistent and elevated dividend distribution conveys assurance of returns, fortifies investor confidence, and thereby enhances firm valuation.

Finally, regression hypothesis testing outcome highlights profitability variable (X5) with significance value of 0.001, below 0.05 criterion. Calculated t-statistic equals 3.340, exceeding critical t-table magnitude. This configuration confirms profitability variable exerts significant effect upon company value (Y), validating fifth hypothesis (H5). Elevated profitability reflects strengthened capacity for earnings generation, expanding potential for dividend distribution, and consequently amplifying firm valuation prospects.

5. CONCLUSIONS AND SUGGESTIONS

The objective of this study is to examine the roles of capital structure, leverage, company growth, dividend policy, and profitability as determinants of firm value in property and real estate companies listed on the Indonesia Stock Exchange during the 2021–2023 period. The analysis, conducted using a panel data approach with IBM SPSS, reveals that capital structure, leverage, dividend policy, and profitability each exert a statistically significant influence on firm value, while company growth does not show a significant partial effect. Simultaneously, all variables collectively contribute to explaining variations in firm value. Among them, profitability emerges as the most dominant factor, indicating that a company's ability to generate earnings remains the primary driver in enhancing its market valuation.

These findings imply that both internal financial decisions and performance indicators play crucial roles in shaping firm value, particularly in capital-intensive industries such as property and real estate. It is therefore recommended that future academic research incorporate more contextual variables such as Environmental, Social, and Governance (ESG) factors, digital transformation, and corporate governance mechanisms to enhance the study's relevance and originality. From a practical perspective, company management should prioritize maintaining an optimal capital structure and improving profitability, as excessive reliance on debt may reduce firm value. Investors are advised to focus on profitability and growth indicators when making investment decisions, while regulators are encouraged to strengthen policies related to leverage and dividend distribution, as well as promote greater transparency in financial reporting to foster a more stable and efficient capital market.

BIBLIOGRAPHY

Aditya Pradana, H Taufik, EJE Saputri, RF Apriadi. (2023). The Influence of Financial Performance on Changes in Bank Rakyat Indonesia Tbk Share Prices on the Indonesia Stock Exchange. Jambi Accounting Research Journal Vol 6 (02).

Akbar, I., & Djawoto, D. (2021). The Effect of ROA, DER, and Current Ratio on Stock Prices in Real Estate Companies Listed on the Indonesia Stock Exchange. Journal of Management Science and Research, 10(1), 1–19.

Ammy, B. (2024). The Effect of Liquidity, Profitability, and Company Size on Company Value. Journal of Accounting and Business Research, 24(2), 195–207.

Ananda, D. Y., & Sari, M. N. (2023). The Effect of Debt Policy, Investment Decisions, and Profitability on Company Value in Automotive Manufacturing Companies Listed on the Indonesia Stock Exchange for the 2017-2021 Period. Journal of Education, Humanities, and Social Sciences (JEHSS), 6(1), 266–275. https://doi.org/10.34007/jehss.v6i1.1839

Ananda Gz, A., & Lisiantara, G. A. (2022). The effect of profitability, capital structure, company size, liquidity, and dividend policy on company value. 6, 3974–3987.

Andanarini, D., Savitri, M., Kurniasari, D., & Mbiliyora, A. (2021). The Effect of Profitability and Company Size on Company Value with Capital Structure as an Intervening Variable (Study of Manufacturing Companies Listed on the Indonesia Stock Exchange in 2017-2019). 21(2), 500–507.

Anggraini, F., Oktaviany, S. D., & Nirwana, S. (2025). The Effect of Capital Structure and Company Size on Company Value. Land Journal, 6(1), 1–16. https://doi.org/10.47491/landjournal.v6i1.3903

Anindya, K. N., Fitri, M., & Muzakir, A. (2019). The Effect of Dividend Policy on Firm Value in Manufacturing Companies in Indonesia. 1959, 357–366.

Ayuptri, G., Yusuf, M., & Baining, M. E. (2023). The Effect of Solvency, Profitability, Liquidity, and Company Size on Audit Delay (A Study of Real Estate and Property Companies). Scientific Journal of Management, Economics, and Accounting, 3(3), 260–271. https://doi.org/10.55606/jurimea.v3i3.272

Baihaqi, M. A., & Murtanto. (2023). The Effect of Investment Opportunity Set, Company Growth, Profitability, and Earnings Quality on Company Value (An Empirical Study of Transportation, Logistics, and Infrastructure Companies Listed on the Indonesia Stock Exchange). Trisakti Journal of Economics, 3(1), 1881–1888. https://doi.org/10.25105/jet.v3i1.16385

Deska, E. P., Hady, H., & Yenni, Z. (2022). The Influence of Investment Decisions, Financing Decisions, and Dividend Policy on Firm Value with Financial Performance as a Mediator. Journal of Business and Economics (JBE) UPI YPTK, 7(3), 240–250. https://doi.org/10.35134/jbeupiyptk.v7i3.171

Devi, S. C., & Riduwan, A. (2023). The Effect of Profitability, Leverage, and Cash Flow on Firm Value. Journal of Accounting Science and Research, 12 (Vol. 12 No. 7 (2023) Journal of Accounting Science and Research), 19.

Dewantari, N. K. Y., Endiana, I. D. M., & Kumalasari, P. D. (2023). The Effect of Asset Growth, Company Size, Investment Decisions, Financing Decisions and Dividend Policy on Company Value. Collection of Accounting Student Research Results (KHARISMA), 5(1), 145–157.

Dewi, M. A. P., & Candradewi, M. R. (2018). ON CAPITAL STRUCTURE AND COMPANY VALUE Faculty of Economics and Business, Udayana University, Bali, Indonesia ABSTRACT Normatively, the goal of financial decisions is to maximize company value or maximize shareholder prosperity. Ke. 7(8), 4385–4416.

Efrina, L., Irawan, D., Ginting, R., & Sari, D. A. (2023). Information technology and its role in organizational change and management accounting functions. Journal of Auditing and Accounting, Faculty of Economics, Tanjungpura University, 12(4), 394–403.

Ester, Y., & Hutabarat, F. (2020). the Influence of Capital Structure on Property and Real Estate Companies Value With Tax Avoidance As Mediation Variables. Accounting Scientific Journal, 4(4), 381–391. http://www.ejournal.pelitaindonesia.ac.id/ojs32/index.php/BILANCIA/index

Fajriah, A. L., Idris, A., & Nadhiroh, U. (2022). The Effect of Sales Growth, Company Growth, and Company Size on Company Value. Scientific Journal of Management and Business, 7(1), 1–12. https://doi.org/10.38043/jimb.v7i1.3218

Fleury, M. (2022). Is the United States in a recession? BBC NEWS INDONESIA. https://www.bbc.com/indonesia/articles/cjm28gdz0m0o

Hakiki, R., & Muninghar. (2021). The Influence of Investment Decisions, Financing Decisions, and Dividend Policy on Firm Value. Student Business Journal, 1, 141–152. https://doi.org/10.60036/jbm.587

Hutauruk, D. M., & Laoli, N. (2022). Central Banks Raise Interest Rates, Global Housing Markets Plummet. Kontan.co.id.

Irawan, J., & Ruslim, H. (2023). The Effect of Profitability, Dividend Policy, and Earnings per Share on Firm Value. Journal of Managerial and Entrepreneurship, 5(2), 333–342. https://doi.org/10.24912/jmk.v5i2.23402

Irawan, M., Forbes, E., Salim, A., & Simmon, A. (2024). The Effect of Leverage, Company Size, and Liquidity on Company Value in Manufacturing Companies in the Food and Beverage Industry Subsector with Profitability as a Moderator for the 2021-

2023 Period. 1(2).

Irnawati, J. (2021). Firm Value and Dividend Policy in Construction and Engineering Companies on the Singapore Stock Exchange. In Cv. Pena Persada.

Jayati, N. W. S., & Cindiyasari, S. A. (2024). The Effect of Leverage, Managerial Ownership, and Profitability on Firm Value in Healthcare Companies Listed on the IDX for the 2021-2023 Period. Journal of Accounting and Finance Management, 5(5), 1040–1050. https://doi.org/10.38035/jafm.v5i5.1041

Kolamban, D. V, Murni, S., & Baramuli, D. N. (2020). Analysis of the Effect of Leverage Profitability and Company Size on Firm Value in the Banking Industry Registered on the IDX. EMBA Journal: Journal of Economics, Management, Business and Accounting Research, 8(3), 174–183.

Marhaeningtyas, D., & Hartono, U. (2020). Managerial Ownership, Dividend Policy, Leverage, Profitability, Firm Size, and Firm Value (A Study of Mining Companies in Indonesia). Journal of Management Science, 8(3), 1060–1072.

Martilova, N. (2023). The Influence of Capital Structure, Profitability, and Company Size on Company Value. Scientific Journal of Management, Business, and Entrepreneurship, 3(1), 153–175. https://doi.org/10.55606/jurimbik.v3i1.465

Maulidina, R. (2020). The Effect of Capital Structure, Profitability, Liquidity, Leverage, Company Growth, and Company Size on Company Value in Lq-45 Companies Listed on the Indonesia Stock Exchange (IDX) in 2014-2018. In Otonomi (Vol. 20).

Mazid, A., Listyaningsih, E., & Indriani, W. (2022). The Impact of the Covid-19 Pandemic on Stock Returns in the Property and Real Estate Sectors Listed on the Indonesia Stock Exchange in 2020. Journal of Management, Bung Hatta University, 17(1), 43–51. https://doi.org/10.37301/jmubh.v17i1.19952

Nurdina, N., Nurkholis, N., Adib, N., & Atmini, S. (2024). Evaluation of the Resilience of Real Estate and Property Stocks to Inflation and Interest Rate Uncertainty: Implementation of Two Asset Pricing Models. *Journal of Risk and Financial Management*, *17*(12), 1–18. https://doi.org/10.3390/jrfm17120530

Oktaviani, M., Rosmaniar, A., & Hadi, S. (2019). The Effect of Company Size and Capital Structure on Company Value. BALANCE: Economic, Business, Management and Accounting Journal, 16(1). https://doi.org/10.30651/blc.v16i1.2457

Ovami, D. C., & Nasution, A. A. (2020). The Effect of Dividend Policy on the Value of Companies Listed in the LQ 45 Index. 4, 331–336.

Riyadi, F. A., Masripah, & Widyastuti, S. (2021). The Effect of Company Age, Financing Decisions, Dividend Policy, and Cash Holding on Company Value. JOEL: Journal of Educational and Language Research, 1(1), 31–44. https://doi.org/10.53625/joel.v1i1.220

Rosalia, J., Utami, W. B., & Pratiwi, D. N. (2022). The Effect of Capital Structure, Profitability, Dividend Policy, Sales Growth, and Company Size on Company Value. Journal of Accounting and Taxation, 22(2), 988–995.

Rossa, P. A. E., Susandya, A. A. P. G. B. A., & Suryandari, N. N. A. (2023). The Effect of Liquidity, Profitability, Company Growth, Company Size and Capital Structure on the Company Value of Banking Companies on the IDX 2019-2021. Collection of Accounting Student Research Results (KHARISMA), 5(1), 88–99.

Santoso, B. A., & Junaeni, I. (2022). The Effect of Profitability, Leverage, Company Size, and Asset Growth on Company Value. Owner, 6(2). https://doi.org/10.33395/owner.v8i2.1997

Saputra, W. (2014). Economic Development and the Threat to Community Rights.

Saputri, C. K., & Giovanni, A. (2021). The Effect of Profitability, Company Growth, and Liquidity on Company Value. 15(1), 90–108.

Sari, E. P., Ilham, R. N., Putri, D. E., & Syahputri, A. (2022). Dividend Policy as a Mediator of the Effect of Leverage and Profitability on Firm Value in Lq 45 Index Companies. Journal of Accounting and Taxation, 22(2), 676. https://doi.org/10.29040/jap.v22i2.3902

Sulistiyowati, W. (2017). Textbook of Basic Statistics. Textbook of Basic Statistics, 14(1). https://doi.org/10.21070/2017/978-979-3401-73-7

Suryandari, N. N. A., Susandaya, A. A. P. G. B. A., & Wijaya, I. G. W. E. (2021). Profitability Factors, Debt Policy, Dividend Policy, Investment Decisions, and Company Size on

the Value of.... AKSES Journal, 13(2), 102–117.

Susesti, D. A., & Wahyuningtyas, E. T. (2022). The influence of profitability, leverage, and company size on company value (Empirical study on LQ45 companies on the Indonesia Stock Exchange for the 2018-2020 period). Accounting and Management Journal, 6(1), 36–49.

Triyonowati, & Maryam, D. (2022). Textbook of Financial Management II. www.indomediapustaka.com

Vianti, M., Adam Zakaria, & Achmad Fauzi. (2023). The Effect of Profitability, Leverage, and Company Size on the Value of Property and Real Estate Companies. Journal of Accounting, Taxation, and Auditing, 4(2), 307–324. https://doi.org/10.21009/japa.0402.01