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Factors Affecting The Firm Value Of Property and Real Estate Companies: Evidence From Indonesia as Listed on The Indonesian Stock Exchange

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ABSTRACT

The purpose of this study is to investigate the effect of asset structure, profitability, liquidity and firm size on the firm value of property and real estate companies in Indonesia as listed on the Indonesian Stock Exchange. Property with an emphasis on housing development and construction, besides being one of the sectors that absorb many workers, also has a long multiplier effect. The population in this study were property and real estate companies listed on the Indonesia Stock Exchange (IDX) from 2017–2020 and as many as 18 companies were used as samples for this study. Pooled ordinary least squares regression and fixed effects or random effect models have been used to estimate the model. The result shows that the asset structure as measured by Fixed Asset Ratio (FAR), profitability (ROA), and firm size (SIZE) has a significant effect on firm value. While liquidity (CR) has no significant effect on firm value (PBV). Furthermore, the regression coefficient of Return on Assets provides the largest contribution to firm value.

Keywords:
Asset Structure, Firm value, Firm Size, Profitability, Liquidity

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INTRODUCTION

Firm value is one of the factors that can influence the financial decisions of investors and creditors. Investors and creditors tend to invest their funds in companies that have good firm value. Good firm value promises a good impact on dividend policy to shareholder prosperity. One of the promising sectors to invest in consists of property and real estate companies. Owning a house is everyone's dream but affordable housing is relatively limited these days. IMF Global Housing Watch (2021) reports that global housing markets have been steadily climbing since 2015 up to now. Global Real Estate Market Outlook (2021) also reports that although property and real estate investment is reviving, activity remains below pre-pandemic levels. The land price which increases each year also contributes to the growth of the firm value property and real estate companies.

A study conducted by Liow (2010) provides insight for investors to include real estate companies in their investment portfolios. It found that successful real estate companies tend to be larger in size and command attractive market valuations relative to their underlying book value. . Setiadharma & Machali (2017) state that Firm value is a measurement of the upcoming firm's management success, as it has the potential to increase the firm's credibility in the eyes of the shareholders. Firm value as a financial performance indicator informs the investor about the firm's past performance as well as its prospects. . Iswajuni et al. (2018) define Firm value as a description of the owners' and shareholders' financial well-being. Firm value is represented by Price to Book Value (PBV). This value is formulated by comparing the share price with the book value per share, whereas the stock price of a company reflects the welfare of its owners and shareholders.

Furthermore, investigating the factors which determine the firm value is the major concern of researchers. Thamrin et al. (2018) state that firm performance has a positive relationship with firm value. The findings of previous studies have broadly emphasized many variables that have a significant relationship with the value of companies. Previous studies have already pointed out that there are some factors that affect the firm value, namely firm size (Liow, 2010);(Tahir & Razali, 2011);(Setiadharma & Machali, 2017); (Iswajuni et al., 2018); (Juhandi et al., 2019a); (Munawar, 2019);(Hirdinis, 2019);(Abdel & Al-Slehat, 2020); (Hapsoro & Falih, 2020), Enterprise risk management (Iswajuni et al., 2018); (Tahir & Razali, 2011), dividend policy (Qureshi, 2007);(Betavia, 2019), liquidity (Juhandi et al., 2019);(Betavia, 2019);(Ayu et al., 2020);(Hapsoro & Falih, 2020), profitability (Tahir & Razali, 2011); (Liow, 2010);(Betavia, 2019);(Ayu et al., 2020);(Hapsoro & Falih, 2020), capital structure (Liow, 2010); (Setiadharma & Machali, 2017); (Hirdinis, 2019), sustainable growth rate (Liow, 2010), asset structure (Zhe-fan, 2009);(Setiadharma & Machali, 2017);(Betavia, 2019);(Abdel & Al-Slehat, 2020), financial leverage (Abdel & Al-Slehat, 2020), and others. Nevertheless, discussion and research about firm value driven by the interrelationship between multi-factors using asset structure, profitability, firm size, and liquidity are limited. Moreover,

identifying the factors which determine the firm value is the major concern in this paper. The value of a firm is, therefore, determined by: its asset structure (FAR), profitability (ROA), firm size (SIZE) and liquidity (CR) on the firm value (PBV).

Several previous studies that linked asset structure, profitability, firm size, and liquidity to firm value in various ways have been performed and still have debatable results. Asset structure has found an effect on the firm value (Setiadharma & Machali, 2017); (Abdel & Al-Slehat, 2020), while Betavia (2019) stated asset structure has no significant influence on the Firm Value (PBV), In addition, (Tahir & Razali, 2011);(Yundhari & Sedana, 2020) stated otherwise, namely that the asset structure as reflected by Majority Ownership was found to be positive but not significantly related to firm value. Firm value is affected by firm size and profitability. A Total of assets owned by a company indicates the firm size and Return on Asset (ROA) reflects the profitability. The bigger the firm size, the higher the firm profitability, and the easier it is to obtain an internal or external source of funds, which will affect the firm value itself. Previous studies which investigate the effect of firm size and profitability on firm value show different results. An example of firm size influencing the firm value was proven by Munawar (2019); Abdel & Al-Slehat (2020); Hapsoro & Falih (2020). Therefore, Ayu et al. (2020) have investigated that there is a positive and significant effect of profitability on firm value. Furthermore, Liow (2010); Iswajuni et al. (2018) reveal that profitability (reflected by ROA) and firm size have a significant positive effect on the firm value, while Hirdinis (2019) proved that firm size has a significant negative effect on firm value. Tahir & Razali (2011) proved that size and ROA have a negative and significant relationship with firm value. Other studies established that there is no significant effect between profitability and firm value (Hirdinis, 2019);(Hapsoro & Falih, 2020). Setiadharma & Machali, (2017) found that there is no direct effect of firm size on the firm value. Juhandi et al. (2019); Hapsoro & Falih (2020) reveal that liquidity and firm size can increase the firm value, while Betavia (2019); Husna & Satria (2019) found that Liquidity (CR) does not significantly influence the Firm Value (PBV), and finally, Ayu et al. (2020) reveal that liquidity has a negative and insignificant effect on firm value.

Based on previous research which indicates the inconsistency of the research results, this study examines five factors that play a role in companies' value by using four financial indicators, namely asset structure, firm size, profitability, and liquidity. This study was conducted for property and real estate companies listed on the Indonesian Stock Exchange (IDX) from 2017–2020. The hypothesis for this study is the bigger the asset structure, profitability, liquidity, and firm size, the higher the firm value. The analysis used in this research is based on multiple regression, and firm value has been measured by Price to Book Value (PBV), while the asset structure was measured by Fixed Asset Ratio (FAR), profitability by Return on Asset (ROA), firm size by Total Asset (SIZE) and liquidity by Current Ratio (CR). This study is organized into the following five sections: Section 2 briefly

displays the literature review from previous studies, the research model, and the hypotheses. Section 3 explains the research methodology including sources of data. The results of tested hypotheses are included in Section 4, Discussion and Result. Finally, Section 5 concludes the study and makes recommendations.

LITERATURE REVIEW

Firm Value

Firm value is defined by employing a variety of concepts and measures by theorists and practitioners (Qureshi, 2007). The main goal of the company is to maximize the value of the company and shareholders' wealth. Maximizing the value of the company is very important for the company because this also means maximizing the prosperity of shareholders, which is the company's main goal. Firm value is the market value of outstanding debt securities and company equity. Firm value is measured using the Price to Book Value (PBV) ratio. Price to book value is the result of a comparison drawn between the stock price and the book value per share. Firm value is the market ratio used to measure the performance of the stock market price against its book value. The existence of firm value is very important for investors to determine investment strategies in the capital market because through Price to Book Value investors can predict overvalued or undervalued stocks. High Price to Book Value reflects the level of prosperity of the shareholders, where prosperity for shareholders is the main goal of the company. The bigger size of companies indicates that the company is growing, so investors will respond positively, and the company's value will rise. The greater a company's total assets and sales, the larger its company value (Hirdinis, 2019).

Asset Structure

Asset structure is the number of assets or assets that can be used as collateral, which is measured by comparing fixed assets with total assets. The asset structure determines the number of funds allocated for each component of current assets and fixed assets. Asset Structure is the number of assets or company assets that can be used as collateral which is measured by comparing fixed assets with total assets in the company. Research by Zhe-fan (2009); Mujino & Wijaya (2021) stated that asset structure has an impact on firm value. Setiadharma & Machali (2017) shows that asset structure has a positive effect on firm value. The results of this study are in line with those conducted by Abdel & Al-Slehat (2020); Betavia (2019) which show that asset structure has a positive effect on firm value.

Profitability

profitability is the company's ability to earn a profit from sales, total assets and own capital. The profitability ratio will describe the level of effectiveness of a company's financial management. The higher the profitability of a company, the better the company's financial performance. A high level of company profitability will increase investor confidence to invest in the company. In this study, the company's ability to generate profits is measured by using the ratio of Return on Assets (ROA). This is because ROA describes the company's financial performance to obtain net

income from assets used for company operations. Profitability describes the level of profit earned by the company in a certain period. Betavia (2019); Husna & Satria (2019); Mujino & Wijaya (2021) found that Probability (ROE) has a significant effect on the Firm Value (PBV). Moreover, Ayu et al. (2020); Sudiyatno et al. (2020) state that profitability had a significant positive effect on firm value. The results of this study are also supported by Liow (2010); Iswajuni et al. (2018); Yundhari & Sedana (2020) found that profitability has a positive effect on firm value. Tahir & Razali (2011) proved ROA has a negative and significant relationship with firm value.

Liquidity

Liquidity is a ratio to show or measure the company's ability to meet its maturing obligations, both obligations to parties outside the company and within the company. Corporate liquidity is very important for the company in carrying out the company's operational activities. Liquidity shows the ability to pay short-term financial obligations on time. The higher the level of liquidity of a company, the higher the certainty of turning it into cash. Full liquidity analysis requires the use of a cash budget, but by relating cash and other current assets to current liabilities, ratio analysis provides a quick and easy-to-use measure of liquidity. Research conducted by Juhandi et al. (2019) states that liquidity has a significant positive effect on firm value. The results of this study are supported by other researchers as well, including Hapsoro & Falih (2020) who found that liquidity had a significant positive effect on firm value.

Firm Size

Company size describes the size of a company indicated by total assets. The greater the total assets, the greater the size of a company. The greater the assets, the greater the invested capital. So company size refers to the size or amount of assets owned by a company. Company size is a scale to determine the size of a company. This can be measured in several ways, including total assets, total sales, and the number of employees working in the company. The size of a company is reflected in the total assets owned, so the greater the company's assets, the greater the size of the company, and vice versa. Firm size is calculated using the natural logarithm of total assets. Husna & Satria (2019); Mujino & Wijaya (2021) found that firm size influences firm value. Research conducted by Munawar (2019); Sudiyatno et al. (2020) states that firm size has a significant positive effect on firm value. The results of this study are supported by other researchers as well, including Abdel & Al-Slehat (2020); (Hapsoro & Falih (2020). Therefore, Tahir & Razali (2011) proved that the size of the firm has a negative and significant relationship with firm value.

Based on the theoretical framework above, the conceptual model of this research is shown in Figure 1.

The hypotheses are:
H1: Asset structure has a positive effect on firm value
H2: Profitability has a positive effect on firm value
H3: Liquidity has a positive effect on firm value.

H4: Firm size has a positive effect on firm value

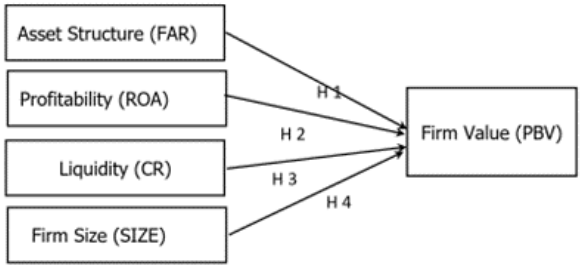

Figure 1 Conceptual Model

METODHOLOGY

This study uses secondary data taken from companies listed on the Indonesia Stock Exchange (IDX). The type of data used can be classified as pooled data. The data are obtained from https://idx.co.id/. The population in this study are property and real estate sub-sector companies listed on the Indonesia Stock Exchange. Total issuers in the property and real estate sector currently number 79 companies. About 18 Property and Real estate companies were selected as a sample. The sampling criteria include: (1). Property and Real Estate Sub-Sector Companies must be listed on the Indonesia Stock Exchange (IDX) during 2017 – 2020 and the companies must have suffered losses between 2017 – 2020. The research has been conducted by collecting secondary data from all companies in the Property and Real estate sub-sector whose shares were listed on the IDX.

The Model Estimation Test used the Chow test to determine which research model (the Common Effect Model (CEM) or the Fixed Effect Model (FEM) is the most appropriate to use, and the Hausman test has been used to select the most appropriate Fixed Effect Model or Random Effect Model. The Lagrange Multiplier test has been used to select the most appropriate model, that is to say, the Random Effect Model or the Common Effect Model (CEM).

The multiple linear regression test has been employed to test the hypotheses. The model for this research can be formulated as follows:

$$PBV = a + \beta 1FAR + \beta 2ROA + \beta 3CR + \beta 4SIZE + e$$

PBV: Firm Value (Price to Book Value)
FAR: Asset Structure (Fixed Asset Ratio)
ROA: Profitability (Return on Asset)
CR: Liquidity (Current Ratio)
SIZE: Firm Size (Total Asset)
e: error

Hypothesis testing made use of the F test, and t-test. The former is conducted to test by way of a simultaneous test between the independent variables and the dependent variable, while the latter is used to determine the influence of independent variables (reflected by ROA, SIZE, CR and FAR) has a partial effect on the dependent variables (reflected by PBV).

RESULT AND DISCUSSION

Table 1 shows that the average value of the asset structure (FAR) amounts to 57.4% annually. Companies that have a large composition of fixed assets have easier access to resources from external parties. The high value of fixed assets makes the company have more adequate collateral against loans. When a company experiences bankruptcy problems and is unable to meet its loan repayment obligations,

fixed assets can be used as collateral. The average profitability (ROA) is known to be 54.13% annually. High profitability shows how the company can create time at a certain level of sales. In that case, the average liquidity (CR) is 309% per year. High liquidity shows that the company can pay off its short-term debt. Therefore, the average value of the size of the company (SIZE) is 160.6%. A large company size will make the company firmer control over market conditions so that it is better able to face business competition. Meanwhile, the average Price to Book Value (PBV) allocated by each company annually is 116.7%. The higher the PBV value, the more the market appreciates the book value of the company's shares so that the company will be more trusted by investors.

Table 1 Descriptive Statistic Analysis

	FAR	ROA	CR	SIZE	PBV
Mean	0.574000	0.054139	3.092944	16.06849	1.167458
Median	0.572000	0.033000	2.133500	16.23250	1.039500
Maximum	0.897000	0.245000	16.06600	17.92400	7.602000
Minimum	0.113000	0.004000	0.879000	13.64500	0.162000
Std. Dev.	0.186191	0.049534	2.676797	1.097816	1.097194
Skewness	-0.468930	1.449926	2.591777	-0.486653	3.216826
Kurtosis	2.934967	5.378740	11.13641	2.521064	18.08876
Jarque-Bera	2.651427	42.20264	279.2110	3.530113	807.1874
Probability	0.265613	0.000000	0.000000	0.171177	0.000000
Sum	41.32800	3.898000	222.6920	1156.931	84.05700
Sum Sq. Dev.	2.461372	0.174209	508.7322	85.56915	85.47224
Observations	72	72	72	72	72

Source : Author (2022)

Table 2 shows the result of F arithmetic 18.100 > 2.50, thus H0 is rejected, meaning that the most appropriate model to use is the Fixed Effect Model (FEM). The Cross-section Chi-square value of 0.0000 < 0.05, so from the Chow test results, the correct model is the Fixed Effect Model (FEM).

The Model Estimation

Table 2 Chow Test Model

Redundant Fixed Effects Tests
Equation: MODEL_FEM
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	19.812416	(17,50)	0.0000
Cross-section Chi-square	147.305765	17	0.0000

Cross-section fixed effects test equation:
Dependent Variable: PBV
Method: Panel Least Squares
Date: 10/15/21 Time: 09:55
Sample: 2017 2020
Periods included: 4
Cross-sections included: 18
Total panel (balanced) observations: 72

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-3.174531	1.456393	-2.179722	0.0328
FAR	-0.710538	0.504089	-1.409548	0.1633
ROA	15.08410	1.906441	7.912177	0.0000
CR	-0.051543	0.035338	-1.458585	0.1494
SIZE	0.254699	0.086099	2.958199	0.0043

R-squared	0.519370	Mean dependent var	1.167458
Adjusted R-squared	0.490676	S.D. dependent var	1.097194
S.E. of regression	0.783034	Akaike info criterion	2.415633
Sum squared resid	41.08048	Schwarz criterion	2.573735
Log likelihood	-81.96279	Hannan-Quinn criter.	2.478574
F-statistic	18.10013	Durbin-Watson stat	0.483831
Prob(F-statistic)	0.000000		

Source : Author (2022)

Table 3 Hausman Test Model

Correlated Random Effects - Hausman Test
Equation: MODEL_REM
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	26.171722	4	0.0000

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
FAR	-5.129044	-2.553380	0.427983	0.0001
ROA	6.565250	11.806252	1.257258	0.0000
CR	-0.013532	0.000741	0.000092	0.1378
SIZE	-1.290977	0.043515	0.120716	0.0001

Source : Author (2022)

Table 3 shows the value of Probability for the random cross-section. 0000 <.05 so that H0 is rejected and the

correct model is the Fixed Effect Model (FEM).

Table 4, the Breusch Pagan Cross-Section Value is .0000 < .05 so the selected model is the Random Effect Model (REM). Therefore, in this study, the Fixed Effect Model is adopted.

Table 4 Lagrange Multiplier Test Model

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	49.16359 (0.0000)	0.485693 (0.4859)	49.64928 (0.0000)
Honda	7.011675 (0.0000)	-0.696917 --	4.465209 (0.0000)
King-Wu	7.011675 (0.0000)	-0.696917 --	2.073085 (0.0191)
Standardized Honda	8.197656 (0.0000)	-0.428919 --	1.897043 (0.0289)
Standardized King-Wu	8.197656 (0.0000)	-0.428919 --	-0.096201 --
Gourierioux, et al.*	--	--	49.16359 (< 0.01)

Source : Author (2022)

Figure 2 shows that the data is normally distributed. This is shown from a probability value of .1088 > .05.

Figure 3 indicates that there is no heteroscedasticity problem. It is shown by the existing graph above being unpatterned or irregular.

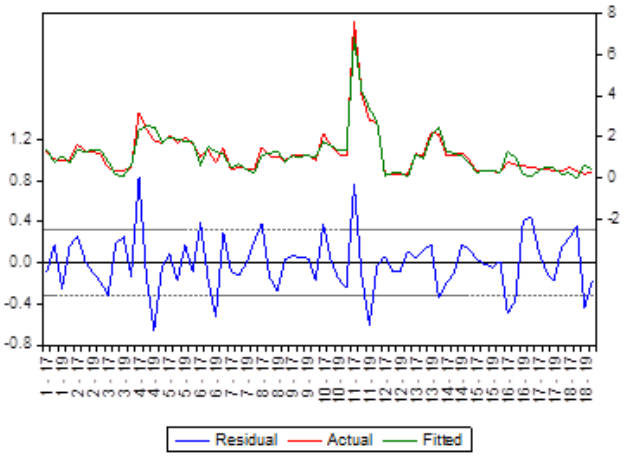

Figure 3 Heteroskedasticity Test
Source : Author (2022)

Normality Test

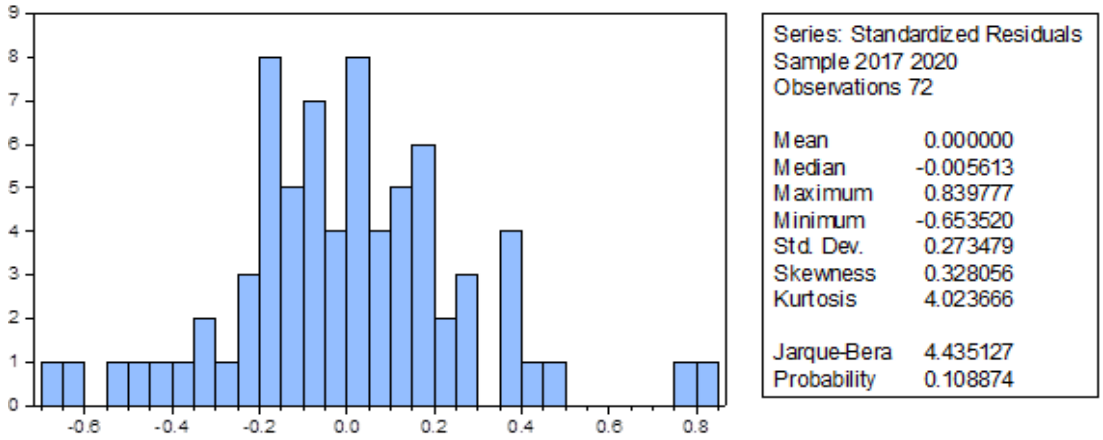

Figure 2 Normality Test

Source : Author (2022)

Table 5 shows that the correlation value listed in the table is less than .8 so it can be concluded that the data are free from multicollinearity problems and can be used or applied to conducting the next procedure.

Table 5 Multicollinearity Test

	FAR	ROA	CR	SIZE
FAR	1.000000	0.096098	-0.108830	-0.010100
ROA	0.096098	1.000000	-0.079908	-0.123438
CR	-0.108830	-0.079908	1.000000	-0.123958
SIZE	-0.010100	-0.123438	-0.123958	1.000000

Source : Author (2022)

Table 6 Autocorrelation Test

Cross-section fixed (dummy variables)

R-squared	0.937873	Mean dependent var	1.167458
Adjusted R-squared	0.911779	S.D. dependent var	1.097194
S.E. of regression	0.325888	Akaike info criterion	0.841942
Sum squared resid	5.310148	Schwarz criterion	1.537590
Log likelihood	-8.309903	Hannan-Quinn criter.	1.118881
F-statistic	35.94290	Durbin-Watson stat	1.935825
Prob(F-statistic)	0.000000		

Source : Author (2022)

Table 6. From the results above, the Durbin-Watson (DW) value is 1.9358. This value is subsequently compared with the dL and dU values in the Durbin - Watson table. For k = 4, for n = 72, the values of dL = 1.5322 and dU = 1.7053 are obtained. From the results, it is known that the value of dU< DW<4-dU ☐ 1,7053 < 1.9358 < 2,2947. It can be concluded that there is no autocorrelation in this model.

Hypothesis Testing

Table 7 shows that ROA, SIZE, CR and FAR proved influential on firm value (prob F statistic = 0.00). Table 9 shows that the effects of FAR, CR and SIZE have negative relationships with firm value. Meanwhile, CR proved to have no significant effect on firm value. Profitability proved to have a significant positive relationship with firm value.

Table 7 F- Test

Cross-section fixed (dummy variables)

R-squared	0.937873	Mean dependent var	1.167458
Adjusted R-squared	0.911779	S.D. dependent var	1.097194
S.E. of regression	0.325888	Akaike info criterion	0.841942
Sum squared resid	5.310148	Schwarz criterion	1.537590
Log likelihood	-8.309903	Hannan-Quinn criter.	1.118881
F-statistic	35.94290	Durbin-Watson stat	1.935825
Prob(F-statistic)	0.000000		

Source : Author (2022)

Derived from the hypotheses test results (Table 7) the following analysis can be made:

1. FAR has a probability value of .0000 < .05. This shows that the asset structure has a negative significant effect on firm value.
2. ROA has a probability value of .0008 < .05. This shows that profitability has a positive significant effect on firm value.
3. CR has a probability value of .6226 > .05. This shows that liquidity has a negative significant effect on firm value.
4. SIZE has a probability value of .0013 < .05. This shows that firm size has a positive significant effect on firm value.

Table 8 shows that the probability value (F-statistic) is .0000 <.05. It can be emphasized that the Fixed Asset Ratio (FAR), Return on Asset (ROA), Current

Asset (CR) and SIZE variables have a significant effect on Price to Book Value (PBV) simultaneously.

Table 8 T-test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	24.54199	6.284319	3.905274	0.0003
FAR	-5.129044	0.932080	-5.502793	0.0000
ROA	6.565250	1.838403	3.571169	0.0008
CR	-0.013532	0.027321	-0.495286	0.6226
SIZE	-1.290977	0.379795	-3.399143	0.0013

Source : Author (2022)

The research model is formulated as:

PBV = 24,542 – 5,129FAR + 6,565ROA - 0,014CR – 1,291SIZE + e

Where:
PBV = Price to Book Value
FAR = Fixed Asset Ratio
ROA = Return On Asset
CR = Current Ratio
SIZE = Firm Size

The findings indicate that ROA or profitability has a positive relationship with firm value in terms of liquidity, whereas firm size and asset structure have a negative relationship with firm value. Asset structure is proven to have a significant negative effect on firm value. When the company has a high asset composition, it does not necessarily increase its value of the company. This calls for special attention from the company's management so that the assets owned by the company can be managed optimally. If the assets cannot be used professionally, it will have an impact on the decline in the value of the company in the eyes of investors. The results of this study are in line with the results of research conducted by Mujino & Wijaya (2021) which states that asset structure affects firm value. Profitability proved to have a significant positive effect on firm value. High profitability will increase the value of the company. Profitability describes the company's ability to earn a profit from the capital used. This gives a positive signal for investors because the company has a satisfactory performance so the company has good prospects in the future. The results of this study are in line with the results of research conducted by previous researchers including Liow (2010); Kontesa (2015); Iswajuni et al. (2018); Yundhari & Sedana, (2020); Sudiyatno et al. (2020); Mujino & Wijaya (2021), all of whom found that profitability has a positive effect on firm value.

The liquidity proved to have no significant effect on company value. Liquidity is a ratio that shows the company's ability to meet its maturing obligations. Liquidity plays an important role for the company in carrying out its operational activities because it requires professional management. The results of this study are in line with research conducted by Husna & Satria (2019); Ayu et al. (2020) which state that liquidity does not affect firm value. Firm size has a negative effect on firm value. The results of this study are in line with research conducted by Hirdinis (2019) which proved that firm size has a significant negative effect on firm value. These results show that a large company size can give a negative signal to investors because there can be a lack of supervision of operational activities and ineffective strategies from the management so that the value of the company decreases. The existence of

differences in interests between shareholders and managers can also reduce the value of the company because, on the one hand, the owner of the company has an interest in increasing the value of the company for the welfare of shareholders while on the other hand, the company's management tries to obtain benefits in the form of bonuses and incentives for themselves.

From this research, it can be seen that the profitability factor (ROA) makes the biggest contribution to influencing firm value. Therefore, investors need to see in more detail the level of profitability of the company chosen as a place to invest in. The results show that the asset structure and firm size had a negative effect on firm value. This indicates that the asset structure and size of the company need to be managed professionally and carefully. High assets, of course, can increase the amount of debt which (if not managed properly) will make the company's performance in generating profits less than optimal. Likewise, increasing company size can make the value of the company decrease if it is not supported by strict operational supervision and the right business strategy. Therefore, it is very important to manage the company's assets, debts and business management effectively and efficiently.

Table 10 shows that the Adjusted R2 value is .9117 or 91.17%. This means that the independent variables, namely Fixed Asset Ratio (FAR), Return on Assets (ROA), Current Ratio (CR) and SIZE contribute to the firm value of approximately 91.17%, while the rest is given by other variables not examined in this research.

Table 9 R^2 Coefficients

Cross-section fixed (dummy variables)			
R-squared	0.937873	Mean dependent var	1.167458
Adjusted R-squared	0.911779	S.D. dependent var	1.097194
S.E. of regression	0.325888	Akaike info criterion	0.841942
Sum squared resid	5.310148	Schwarz criterion	1.537590
Log likelihood	-8.309903	Hannan-Quinn criter.	1.118881
F-statistic	35.94290	Durbin-Watson stat	1.935825
Prob(F-statistic)	0.000000		

Source : Author (2022)

CONCLUSION

The result shows that the asset structure as measured by Fixed Asset Ratio (FAR), profitability (ROA), and firm size (SIZE) has a significant effect on firm value. While liquidity (CR) has no significant effect on firm value (PBV). The conclusions of this study are:

1. There is a negative significant effect of asset structure on the firm value of property and real estate companies which are listed on the Indonesian Stock Exchange for the period between 2017-2020.
2. There is a positive significant effect of profitability on the firm value of property and real estate companies which are listed on the Indonesian Stock Exchange for the period between 2017-2020.
3. There is a negative significant effect of firm size on the firm value of property and real estate companies which are listed on the Indonesian Stock Exchange for the period between 2017-2020.
4. There is no significant negative effect of liquidity on the firm value of property and real estate companies which are listed on the Indonesian Stock Exchange for the period between 2017-2020.

The result of the study will be useful for related parties, including company management, creditors, shareholders,

financial analysts, and investors. Further studies can use the result of this one by way of reference for researchers to improve and develop the study by investigating firms of other sectors and by using other variables that can affect the firm value. This result can be used for related parties as policy considerations to make financial decisions.

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