

Stock Price Analysis in Property And Real Estate Sector Companies Listed On The Indonesian Stock Exchange

Risma Wulandari¹, Sumilir² Yudi Nur Supriadi³
^{1,2,3}Fakultas Ekonomi dan Bisnis UPN Veteran Jakarta
Email: sumilir@upnvj.ac.id

Abstract

This research is quantitative in nature and aims to find out how profitability, leverage, stock trading volume and interest rates influence stock prices. Companies in the property and real estate sector listed on the IDX in 2020-2022 were used as samples in this research. Purposive sampling was used to determine sample selection and 38 companies were obtained which were used as research samples. Panel data regression analysis using the E-Views 12 program and a significance level of 5% (0.05) was used in testing the research hypothesis. The test findings show that (1) there is no effect of profitability on stock prices, (2) there is an effect of leverage on stock prices, (3) there is no effect of stock trading volume on stock prices, and (4) there is no effect of interest rates on stock prices.

Keywords: Profitability; Leverage; Stock Trading Volume; Interest rate; Stock price.

1. Introduction

The importance of the capital market in economic growth in Indonesia cannot be ignored. The capital market is a forum for trading long-term financial instruments, including shares, mutual funds, bonds, derivative instruments and the like. The capital market holds the position of being an intermediary for allocating excess funds (investors) from various security instruments with expected returns in the future. Meanwhile, companies or governments that need capital can use this capital to continue their projects. The capital market plays a role in national development as an alternative capital financing and business development for companies as well as a place to invest for the wider community.

The property and real estate sector is one sector that has become attractive, in line with the significant growth of the property industry in recent years. The property sector is considered to play a strategic role in growing the national economy. Because when the economy experiences pressure from a potential crisis, one of the things that supports this is the real estate and property sector. This is due to the capacity of this sector which can employ a fairly large workforce and have a domino effect on other sectors. Along with economic development and population growth, residential, commercial and industrial demand continues to increase, creating attractive investment opportunities for developers and investors. With this demand, business people are forced to look for the best methods to survive and outperform the competition so that they can achieve shareholder welfare in accordance with the company's goals. The general public can contribute as investors and companies as entities that need funding.

Shares are a type of investment traded on the capital market. Shares are documents that prove ownership of shares in a company or limited liability company, either by individuals or companies. Share prices fluctuate at any time, rising or falling in a short time depending on capital market conditions (Nadhifah et al., 2022). A high share price of a company indicates strong performance and shows promising prospects for the future. It is clear that this situation is attractive for investors to invest and buy shares in the company, with the hope of benefiting from capital gains or dividends. Below is a picture of stock price movements in the property and real estate sector.

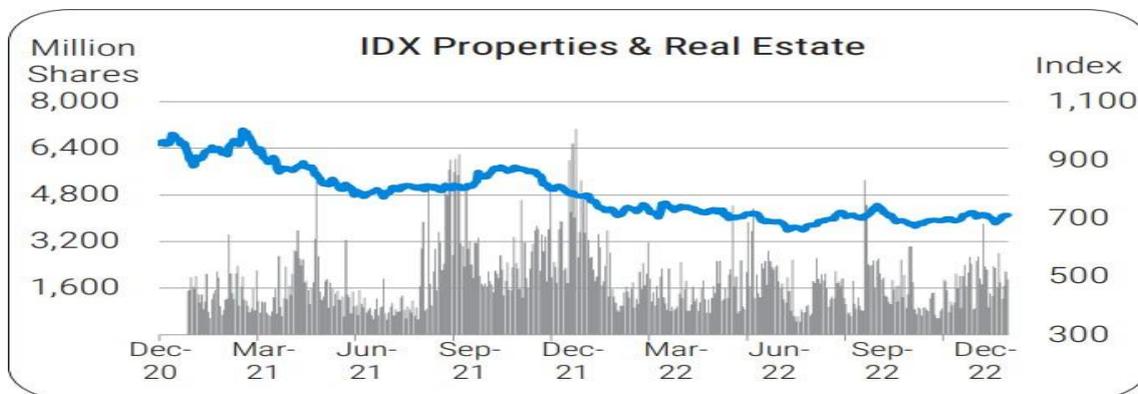


Figure 1. Graph of Share Price Growth in the Property and Real Estate Sector
 Source:www.idx.co.id(2022)

Based on Figure 1, it can be seen that in 2020 the property and real estate sector experienced a decline of -21.23% in the Composite Stock Price Index, where the property and real estate sector also contributed to the majority of the decline in the IHSG in 2020. This was triggered by several issuers' performance of this sector which experienced a decline due to the Covid-19 pandemic. Apart from that, the decline in consumer demand and the cautious attitude of investors during times of uncertain economic conditions are also factors causing the decline in share prices in this sector. Continuing, in 2021 the performance of shares of property and real estate issuers began to recover, this condition was triggered by assistance from the government's tax incentive policies and a reduction in interest rates. However, in the second quarter of 2021 there was another weakening triggered by the threat of global inflation and an increase in the benchmark interest rate. Then, in 2022, the performance of shares of property and real estate issuers will not be able to recover and will face another decline, due to the increase in interest rates in monetary policy operations. Even though the government has implemented many policies to help the recovery of this sector, it has not been able to make this sector stronger again.

Prospective investors should consider a number of factors that may influence their investment before getting involved in investing in the capital market. Therefore, before making a decision to invest in shares, it is important for potential investors to have basic knowledge about the components that can influence share prices. Market confidence in the company's prospects is reflected in the increase in share prices. In addition, investors use it as an indicator to evaluate a company's prospects based on its profitability growth. Paying attention to these signals is also very important in assessing the extent to which an investment can generate appropriate returns.

An indicator of how well a company is managed is profitability which investors can use as a guide, as shown by the amount of profit generated. In 2020 the property and real estate sector managed to gain a profit of 20.3%. However, share prices in this sector fell in the same year. This is contrary to research findings (Puspitasari & Yahya, 2020) which reveal that investors will gain more profits from higher profitability, thus having a positive impact on their share prices in the market. On the other hand, low profitability indicates management's failure to meet shareholder expectations by providing minimal profits. In contrast, research (Huda & Satrio, 2020) reveals that there is no effect of profitability on share prices. This indicates that the increase in share prices does not depend on the income

earned.

Property and real estate companies must develop and expand over a long period of time. The company will issue long-term debt securities because it is expected to have sufficient capital for business development and expansion. One of the criteria used to evaluate a company's debt performance is leverage. Leverage is a parameter that measures how much company equity is financed by debt. Research findings (Manullang et al., 2020) found that a high level of leverage indicates a company performing poorly, which has an influence on share prices. Significant debt will increase interest expenses, potentially reducing business profits and lowering share prices. This condition is contrary to research (Veronica & Pebriani, 2020) that high debt burdens have no effect on stock prices, because an increase in debt does not always mean it has a bad impact. As long as the company manages debt effectively to expand operational activities or business expansion, it can certainly increase profits and experience an increase in share prices.

Apart from paying attention to the company's internal aspects, investors must also take into account external aspects that influence share price movements. Stock trading volume is another factor apart from fundamental aspects that can technically influence a company's share price. Stock trading volume describes the intensity of the relationship between supply and demand which indicates the level of investor activity in the capital market (Rahayu & Masud, 2019). Factors influencing stock trading volume can vary, including economic phenomena, corporate events, market sentiment, and many other factors. According to the findings of (Septyadi & Bwarleling, 2020), there is a positive relationship between stock trading volume and stock prices. Meanwhile, according to findings (Yanti & Dalimunthe, 2021) reveal that share prices are not affected by share trading volume.

Apart from the company's internal and technical aspects, investors must also take into account external aspects, one of which is macroeconomic analysis related to investment. This analysis reveals components that can influence share prices, namely interest rates (Pangestuti, 2022, p. 35). BI-7 Day Reverse Repo Rate (BI7DRR) is the latest benchmark interest rate introduced by BI to control the level of economic growth. Investments in property and real estate issuers are often prolonged and their growth is very sensitive to macroeconomic variables including interest rates (Ramadan et al., 2020). In 2020, Bank Indonesia's benchmark interest rate will be 4.25%. As is known, share prices in this sector at that time slumped in line with the decline in Bank Indonesia's benchmark interest rate. This condition is contrary to the theory (Handini & Astawinetu, 2020) that when interest rates decrease, *ceteris paribus* share prices will increase. On the other hand, this condition is contrary to research (Ariesa et al., 2020) which reveals that interest rates have no effect on stock prices, meaning that changes in interest rates do not affect investors' interest in moving their funds to deposits which offer a safer level of risk because investors more interested in getting higher profits from long-term investments such as shares, especially investments in this sector. The research objective is to determine the effect of profitability and leverage on share prices in property and real estate sector companies.

2. Literature Review

Signal Theory

Signal theory was first developed by Spence in 1973. Signal theory states that parties

who have information issue signals in the form of information that represents the state of the company, and this information is useful for the party who receives it (investors). These signals can be good signal information, such as an increase in company profitability, or negative signals, such as a decrease in company performance. Signals can come from internal company or external company sources, which are then interpreted by investors to interpret the information. The market's reaction to information that signals certain events that can affect a company's value is usually reflected in stock price movements.

Trade-Off Theory

Trade-off theory was first introduced by Modigliani and Miller in 1963. This theory argues that companies make a trade-off between the tax benefits obtained from debt financing and the potential risk of bankruptcy that may arise (Brigham & Houston, 2019, p. 498). Optimal capital structure refers to the right combination of funding through debt and equity that is useful for maximizing company value. A sign of a highly valued company is its high share price. Therefore, trade-off theory argues that the optimal capital structure involves the use of debt, which will bring stock prices to the maximum level (Brigham & Houston, 2019, p. 498). Utilizing debt can increase company value, but its use is only effective to a certain extent.

Stock price

Shares function as a sign of shareholder ownership or involvement in the company that issues shares (issuer) (Agusfianto et al., 2022, p. 81). Investors want share prices that remain stable and have a tendency to increase. On the other hand, investors also have risks related to share prices, if there is a decline in share prices, investors will experience losses (Sholichah et al., 2021). So share price movements can be a parameter for assessing the company.

Financial Ratios

Utilizing financial ratios is very important in examining a company's financial performance (Fahmi, 2014, p. 44). The use of financial ratios can provide an evaluation of the efficiency of resource utilization by the company and the performance of the management team over time. The benefit of using financial ratios is that it helps in disclosure of information related to the possibility of increasing or decreasing the company's financial performance (Darmawan, 2020, p. 53). Financial performance can influence investor confidence and trigger certain reactions, which influence the price or volume of shares in the capital market (Irawan & Makhsun, 2019).

Profitability

Profitability is a ratio that evaluates a company's capacity to earn profits over a certain period of time and describes management's success in running its business (Fahmi, 2014, p. 68). The profitability indicator used to assess how much profit is generated from each share of common stock is called Earning Per Share. According to (Lawandi & Firdausy, 2019) and (Azmy & Lestari, 2019) the correlation between EPS and share prices is positive, meaning that if EPS increases, it is accompanied by an increase in share prices. The increase in profits shows that the company has succeeded in managing its assets and shareholder capital optimally. Investors respond positively to company performance, and this can have an impact on increasing share prices. H1: Profitability influences share prices.

Leverage

The increased risk and return resulting from the use of fixed financing, including debt and preferred stock, is known as leverage (Gitman & Zutter, 2015, p. 124). Debt to Equity Ratio

is a comparison between the amount of debt obtained by the company and the amount of equity. According to (Alamsyah & Fuadati, 2021) and (Tarsono, 2021) it shows that DER has an effect on stock prices. The high ratio of debt to equity shows that the company's profits are increasingly uncertain due to the reduction in the number of fixed and other expenses. This situation puts the company at risk of default, so that investor interest in the company decreases and share prices also fall. H2: Leverage affects share prices.

Stock Trading Volume

According to (Hartono, 2017) trading volume is an indicator used to determine whether individual investors provide more value to information that can be used to make trading decisions or not. According to research (Latifah et al., 2020) and (Ananda et al., 2021) it is stated that stock trading volume influences stock prices. This illustrates that an increase in trading volume is related to high interest from investors in shares, which can then result in an increase in the company's share price

H3: Stock trading volume influences stock prices.

Interest rate

The interest rate is the cost of capital debt received and paid by the borrower (Brigham & Houston, 2019, p. 197). Creditors bid for company capital through available debt using interest rates. According to (Fitriaty & Saputra, 2022) and (Rahmatullah et al., 2019) it is revealed that interest rates influence stock prices. This indicates that when interest rates decrease, investors will tend to switch investments to the capital market, which can increase share prices. Conversely, when interest rates rise, mortgage interest rates also rise, leading to investors selling shares and moving to more profitable investments, which can lower share prices.

H4: Interest rates influence stock prices

Research Model

Based on the discussion described previously, below is the research model in this study.

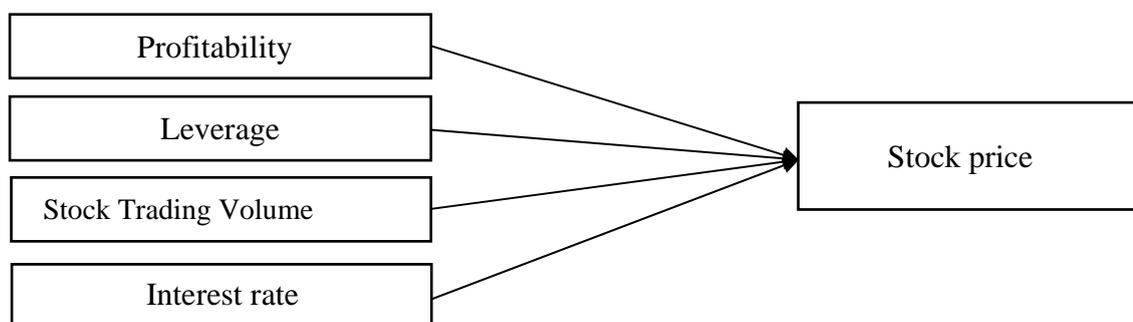


Figure 2. Research Model

Hypothesis

H1: Profitability influences share prices in property and real estate sector companies

H2: Leverage influences share prices in property and real estate sector companies

H3: Stock trading volume influences share prices in property and real estate sector companies

H4: Interest rates influence share prices in property and real estate sector companies.

3.Methodology

Share prices are measured using share prices obtained on average seven days since the publication of financial reports (in logarithmic rupiah). The share price unit used is decimal form. Profitability (EPS) The ratio that assesses a company's capacity to earn profits or income per share is usually referred to as Earning Per Share. This variable is measured in decimal unit. The population and samples taken from companies listed on the Indonesia Stock Exchange in the 2020-2022 period constitute the population of this research. The sampling technique uses a purposive sampling approach with criteria, including: 1). Companies in the property and real estate sector listed on the Indonesia Stock Exchange during the 2020-2022 period; 2). Companies in the property and real estate sector that consistently release complete annual financial reports with complete data regarding all variables studied during the 2020-2022 period; 3). Companies in the property and real estate sector that do not have negative or zero total equity.

This research uses quantitative data, namely data in the form of numbers and can be calculated or measured directly. Apart from that, secondary data used in this research comes from company annual financial reports and websites. This research utilizes panel data regression analysis as a data analysis technique by utilizing tools in the form of the computer program E-Views 12 and Microsoft Office Excel 2021. Model tests carried out include the Chow test, Hausman test and Lagrange Multiplier test to determine the panel data regression model with size. 0.05. Then, carry out classical assumption tests and hypothesis tests to answer the hypothesis.

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

Explanation or description of the data collected is the goal of descriptive statistical analysis. Data that can be observed includes the average (mean), standard deviation, highest value (maximum), and lowest value (minimum).

Table 1. Descriptive Statistical Analysis

	Stock price	Profitability	Leverage	Vol. Trading	Intere st rate
Mean	308.0814	5.522636	0.707180	0.002687	0.039233
Maximum	2917.140	846.5900	4.114556	0.090520	0.042500
Minimum	50,000000	-711.3490	0.002317	0.000000	0.035200
Std. Dev.	385.3183	114.9562	0.791644	0.009113	0.003042
Observations	114	114	114	114	114

Source: E-Views 12 (2024)

Based on Table 1, the following is an interpretation of the results of descriptive statistical analysis as follows.

1. Share Price (Y)

Based on Table 1, the share price variable from 114 observation data on property and real estate companies obtained an average of 308,0814, with Pollux Properties Indonesia Tbk (POLL) having the highest share price of IDR 2,917 per share in 2020. However, POLL's share price was the highest for three years, which means it decreased in the following year. Meanwhile, the lowest share price of IDR 50 per share in 2020-2022 is owned by Bhakti Agung Propertindo Tbk (BAPI). Furthermore, the standard deviation size is 385.3183, meaning it is higher than the average value of share prices. So, it can be concluded that the distribution of data variations is relatively large.

2. Profitability (X1)

Based on Table 1, the average profitability variable (EPS) from 114 observation data on property and real estate issuers is 5.522636 with Pudjadi Prestige Tbk (PUDP) having the highest EPS of 846.59 in 2022. This is due to the net profit attributable to PUDP common share owners increased significantly after previously recording a negative net profit. Apart from that, Pudjadi Prestige Tbk (PUDP) also had the lowest EPS of -711.35 in 2020. It is known that in 2020, the whole world experienced the Covid-19 pandemic which indicated a decline in net profit. This condition had a negative impact on profits attributable to ordinary share owners. Furthermore, the standard deviation size is 114.9562, meaning it is larger than the mean value. So, it can be concluded that the distribution of data variations is relatively large.

3. Leverage (X2)

Based on Table 1, the average leverage variable (DER) from 114 observation data on property and real estate issuers is 0.707179. This states that the average DER level for this sector is quite good, because it is less than 1x, which indicates that the company is managing short-term or long-term debt financing well, thereby minimizing the risk of bankruptcy. The highest DER was owned by Pollux Properties Indonesia Tbk (POLL) in 2021, amounting to 4.1146, which indicates that the company uses debt to finance the company more than its own

capital. Meanwhile, Repower Asia Indonesia Tbk (REAL) has the lowest DER of 0.0023 in 2022 due to an increase in equity and a decrease in debt. Furthermore, the size of the standard deviation is 0.791644, which is greater than the average, meaning that the distribution of data variations is relatively large.

4. Stock Trading Volume (X3)

Based on Table 1, the average value of the stock trading volume variable from 114 property and real estate company observation data is 0.002687, which is smaller than the standard deviation of 0.009113, which means that the distribution of data variations is relatively large. The highest average share trading volume was held by Trimitra Propertindo Tbk (LAND) in 2021, amounting to 0.090520. In 2021, LAND recorded a loss for the year of - IDR 11.60 billion from - IDR 17.95 billion in 2020. Based on the information in the financial report, investors view the company as having succeeded in improving its performance from the downturn in 2020 which triggered relatively active share trading volume activity. Meanwhile, the lowest average share trading volume is owned by Repower Asia Indonesia Tbk (REAL) and PP Properti Tbk (PPRO) in 2022, amounting to 0.000000.

5. Interest Rate (X4)

Based on Table 1, the interest rate value in 2020-2022 has a mean value of 0.039233. Where in 2020 it had the largest value of 0.042500. This interest rate actually decreased from the previous year by 5.6%. Due to the impact of the Covid-19 pandemic in 2020, Bank Indonesia issued monetary policy by reducing interest rates to maintain stability and encourage the country's economic recovery. Meanwhile, the lowest interest rate occurred in 2021 at 0.035200. This condition was due to the Indonesian economy still contracting in the fourth quarter of 2020, so Bank Indonesia again lowered interest rates taking into account the still weak condition of the Indonesian economy and global finances. Meanwhile, the standard deviation size of 0.003042 is smaller than the average value, meaning that the data distribution is relatively small and close to the average value.

Test Chow

To identify which Common Effect or Fixed Effect is most suitable to be applied, the Chow test is used. If the probability value is <0.05, then the Fixed Effect model is better used for estimation techniques than the Common Effect and vice versa.

Table 2. Chow Test Results

Redundant Fixed Effects Tests			
Equation: Untitled			
Cross-section fixed effects test			
EffectTest	Statistics	df	Prob.
Cross-section F	30.499834	(37.72)	0.0000
Chi-square cross-section	320.775729	37	0.0000

Source: E-Views 12 (2024)

Based on Table 2, the results show that the Cross-section Chi-Square value is 0.0000 <0.05. So using the Fixed Effect model is more appropriate than using the Common Effect model.

Hausman test

To test which model is more suitable between the Fixed Effect or Random Effect models, the statistical determination technique applied is the Hausman test. If the probability value is <0.05 , then a better Fixed Effect is applied, so there is no need to carry out further tests. However, if the probability value is > 0.05 , meaning that the Random Effect is superior to the Fixed Effect, it is necessary to carry out the Lagrange Multiplier test.

Table 3. Hausman Test Results

Correlated Random Effects – Hausman Test			
Equation: Untitled			
Cross-section random effects test			
Test Summary	Chi-Sq. Statistics	Chi-Sq. df	Prob.
<i>Random Cross-section</i>	8.643073	4	0.0707

Source: E-Views 12 (2024)

Based on Table 3, the cross-section value is $0.0707 > 0.05$. So the use of the Random Effect model is more appropriate than the use of Fixed Effect.

Lagrange Multiplier Test

The Lagrange Multiplier test is designed to choose a model between Random Effect which is better than Common Effect. If the probability value is <0.05 , then *Random Effects* better used for estimation techniques than Common Effect and vice versa.

Table 4. Lagrange Multiplier Results

Correlated Random Effects – Lagrange Multiplier			
Equation: Untitled			
Cross-section random effects test			
Test Summary	Chi-Sq. Statistics	Time	Both
Breusch-Pagan	(0.0000)	(0.3982)	(0.0000)

Source: E-Views 12 (2024)

Based on Table 4, the Breusch-Pagan Cross-section value is $0.0000 < 0.05$. So using the Random Effect model is more appropriate than using the Common Effect.

Panel Data Regression Model Used

Random Effect Model (REM) is the most appropriate approach to be applied in this research, based on the results of the Chow test, Hausman test and Lagrange Multiplier test. By using this model, we obtain the influence of each independent variable on the dependent which produces the following estimation results.

Table 5. Panel Data Regression Test Results

Variable	Coefficient
C	4.362158
PROFITABILITY	0.000292
LEVERAGE	0.368031
TRADE_VOL	5.998730
INTEREST RATE	15.04884

Source: E-Views 12 (2024)

Based on Table 5, the results of the panel data regression model equation are obtained, namely: Share Price = 4.362158 + 0.000292 (Profitability) + 0.368031 (Leverage) + 5.998730 (Share Trading Volume) + 15.04884 (Interest Rate).

Classic Assumption Test

Normality Test

If the probability value of the normality test using the Jarque-Bera method is greater than 0.05, it can be concluded that the data is normally distributed, and vice versa. Normality test results are listed below.

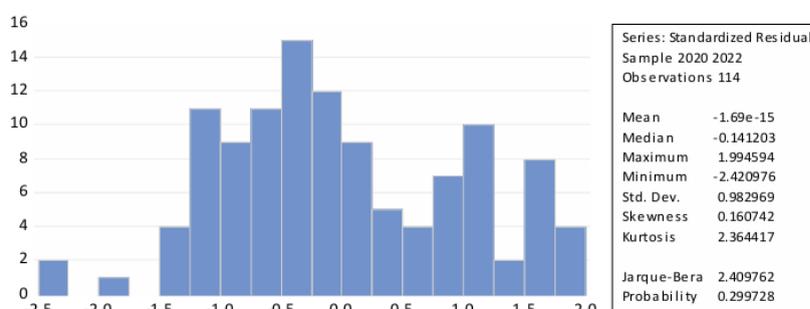


Figure 3. Normality Test Results

Source: E-Views 12 (2024)

Based on Figure 3, the Normality test results show that the Jarque-Bera Normality value is 2.409762, while the probability value is 0.299728. It can be said that the empirical model applied has normally distributed residuals, where the value of $\alpha = 5\%$, so $2.409762 > 0.05$, therefore the data set in this study has a normal distribution.

Multicollinearity Test

The standard multicollinearity test in panel data regression states that if there is a relationship between independent variables that is more than 0.80 then there is multicollinearity in the data, and vice versa. Below are the results of the Multicollinearity test.

Table 6. Multicollinearity Test Results

	PROFITABILITY	LEVERAGE	TRADING VOL	INTEREST RATE
PROFITABILITY	1	-0.068970	-0.045055	-0.089223
LEVERAGE	-0.068970	1	0.016433	-0.006459
TRADING VOL	-0.045055	0.016433	1	-0.132294
INTEREST RATE	-0.089223	-0.006459	-0.132294	1

Source: E-Views 12 (2024)

Based on Table 6, the four independent variable values were found to be less than 0.80. It can be concluded that the regression model used does not show any symptoms of multicollinearity.

Hypothesis testing

Partial Test (T Test)

To see whether the independent variables (profitability, leverage, stock trading volume, and interest rates) have an influence on the dependent variable (share price), a partial test is carried out. If the value of $t_{count} > t_{table}$, then H_0 is rejected and H_1 is accepted (has an effect). Meanwhile, if $t_{count} < t_{table}$, then H_0 is accepted and H_1 is rejected (has no effect). The t_{table} value can be determined from the t distribution table with a significance level of 0.05, through calculating the degree of freedom (df). In this research, the df level is $= 114 - 5 = 109$, based on the provisions of the distribution table, the t_{table} value is 1.98197. Meanwhile, by comparing the probability value > 0.05 , H_0 is accepted and H_1 is rejected (not significant). Meanwhile, if the probability value is < 0.05 , H_0 is rejected and H_1 is accepted (significant). Below are the results of the t test using the model.

Table 7. Partial Test Results

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	4.362158	0.401326	10.86935	0.0000
PROFITABILITY	0.000292	0.000261	1.116843	0.2665
LEVERAGE	0.368031	0.118179	3.114192	0.0024
TVA	5.998730	3.716284	1.614174	0.1094
INTEREST RATE	15.04885	9.136940	1.647034	0.1024

Source: E-Views 12 (2024)

Based on Table 7, the partial results of the relationship between the independent variables and the dependent variable are obtained which are explained below:

1. The Effect of Profitability on Stock Prices

Based on table 7 above, it can be seen that the coefficient value of the profitability variable measured using EPS is 0.000292, proving that there is a positive correlation with share prices. This means that if profitability increases by 1, assuming other variables are constant, it can increase share prices by 0.000292 for property and real estate issuers. Based on the results, the probability value is $0.2665 > 0.05$ which is greater than the significance value. Then based on the calculation *tstatistik* profitability shows lower than *ttable*, namely 1.116843 < 1.98197 . In conclusion, the relationship between the profitability variable and share

prices is positive and not significant so that H0 is accepted and H1 is rejected.

2. The Effect of Leverage on Stock Prices

Based on table 7 above, it can be seen that the coefficient value of the leverage variable measured using DER is 0.368031, proving that there is a positive correlation with stock prices. This means that if leverage increases by 1, assuming other variables are constant, it can increase share prices by 0.368031 for property and real estate issuers. Based on the results, the probability value is $0.0024 < 0.05$ smaller than the significance value. Then based on the calculation *tstaitik* profitability shows higher than *ttabel*, namely $3.114192 > 1.98197$. In conclusion, the relationship between the leverage variable and stock prices is positive and significant so that H0 is rejected and H1 is accepted.

3. The Effect of Stock Trading Volume on Stock Prices

Based on table 7 above, it can be seen that the coefficient value of the stock trading volume variable is 5.998730, proving that there is a positive correlation with stock prices. This means that if the share trading volume increases by 1, assuming other variables are constant, it can increase share prices by 5.998730 in property and real estate companies. Based on the results, the probability value is $0.1094 > 0.05$ which is greater than the significance value. Then based on the calculation *tstaitik* profitability shows higher than *ttabel*, namely $1.614174 < 1.98197$. In conclusion, the relationship between the stock trading volume variable and stock prices is positive and not significant so that H0 is accepted and H1 is rejected.

4. The Effect of Interest Rates on Stock Prices

Based on table 7 above, it can be seen that the coefficient value of the interest rate variable is 15.04884, proving that there is a positive correlation with stock prices. This means that if the interest rate increases by 1, assuming other variables are constant, it can increase share prices by 15.04884 for property and real estate issuers. Based on the results, the probability value is $0.1024 > 0.05$ which is greater than the significance value. Then based on the calculation *tstaitik* profitability shows higher than *ttabel*, namely $1.647034 < 1.98197$. In conclusion, the relationship between the interest rate variable and stock prices is positive and not significant so that H0 is accepted and H1 is rejected.

Determination Coefficient Test (Adjusted R2)

The coefficient of determination test (*R*²) is useful for finding out how the independent variables (profitability, leverage, stock trading volume and interest rates) can describe their influence on the dependent variable, namely stock prices. The following are the results of the coefficient of determination test:

Table 8. Coefficient of Determination Test Results

R-squared	0.111026	Mean dependent var	0.958725
Adjusted R-squared	0.078403	SD dependent var	0.309855
SE of regression	0.297461	Sum squared resid	9.644637
F-statistic	3.403306	Durbin-Watson stat	1.378096
Prob (F-statistic)	0.011553		

Source: E-Views 12 (2024)

Based on Table 8, the Adjusted R-squared test results obtained are 0.078403 or 7.84%.

These results indicate that the variables profitability, leverage, stock trading volume and interest rates have an influence on stock prices of 7.84%. The remaining 92.15% (100% - 7.84%) may be influenced by other factors such as licensing or bureaucracy, government policy, macroeconomic factors outside the company's control, and property values in the market.

5. Conclusion

Based on the research findings and analysis that have been carried out, several conclusions have been drawn, including:

- a. Profitability calculated using Earning Per Share has no effect on the share prices of companies in the property and real estate sector for the 2020-2022 period.
- b. Leverage calculated using the Debt to Equity Ratio influences the share prices of companies in the property and real estate sector for the 2020-2022 period.
- c. Stock trading volume has no effect on the share prices of companies in the property and real estate sector for the 2020-2022 period.
- d. Interest rates have no effect on the share prices of property sector companies and real estate 2020-2022 period.

References

- Agusfianto, P. N., Herawati, N., Fariantin, E., Khotmi, H., Maqsudi, A., Murjana, I. M., Jusmarni, Anwar, Rachmawati, T., Hariyanti, Nuryati, Andayani, S. U., & Nursansiwati, D. A. P. (2022). *Dasar-Dasar Manajemen Keuangan*. Seval Literindo Kreasi. <https://books.google.co.id/books?id=Re6cEAAAQBAJ&pg=PA127&lpg=PA127&dq=e>
- Alamsyah, S. M., & Fuadati, S. R. (2021). Pengaruh Return On Equity, Current Ratio, dan Debt To Equity Ratio terhadap Harga Saham pada Perusahaan Property dan Real Estate yang Terdaftar Di BEI Tahun 2015-2019. *Jurnal Ilmu Dan Riset Manajemen*, 10(1), 1–18. <http://jurnalmahasiswa.stiesia.ac.id/index.php/jirm/article/view/3894/3905>
- Ananda, C., Martaseli, E., & Eriswanto, E. (2021). Pengaruh Abnormal Return dan Trading Volume Activity Terhadap Harga Saham. *Jurnal Akuntansi Dan Keuangan*, 5(1), 1–9. <https://doi.org/doi.org/10.31000/competitive.v5i1.5063>
- Azmy, A., & Lestari, A. (2019). Analisis Pengaruh Rasio Keuangan Terhadap Harga Saham Perusahaan Real Estate & Properti Di Indonesia. *Jurnal Riset Manajemen Sains Indonesia*, 10(2), 1–21. <https://doi.org/http://doi.org/10.21009/JRMSI>
- Brigham, E. F., & Houston, J. F. (2019). *Fundamentals of Financial Management*, 15e. In *Cengage Learning* (15th ed.). Cengage Learning.
- Darmawan. (2020). *Dasar-Dasar Memahami Rasio dan Laporan Keuangan*. In *Universitas Negeri Yogyakarta Press*.
- Fahmi, I. (2014). *Analisis Kinerja Keuangan*. Alfabeta.
- Fitriaty, F., & Saputra, M. H. (2022). Inflasi, Suku Bunga dan Resesi Terhadap Kinerja Saham Perusahaan Properti Dan Real Estate Di Bursa Efek Indonesia. *Jurnal Manajemen*

Terapan Dan Keuangan, 11(04), 981–992.
<https://doi.org/10.22437/jmk.v11i04.21767>

- Gitman, L. J., & Zutter, C. J. (2015). Principles of Managerial Finance 14th Edition. In *Pearson Education Limited*.
- Hartono, J. (2017). *Teori Portofolio dan Analisis Investasi* (11th ed.). BPFPE Yogyakarta.
- Irawan, & Makhsun, A. (2019). Market Reactions on Audited Interim Financial Statements Publication: an Empirical Study on Public Companies in Indonesia Stock Exchange. *Jurnal Ilmiah ESAI Volume*, 13(2), 124–140. <https://doi.org/10.25181/esai.v13i2.1275>
- Latifah, S. N., Wahono, B., & Khalilussabir. (2020). Pengaruh Indeks Harga Saham Gabungan (IHSG), Volume Perdagangan dan Risiko Sistematis Terhadap Harga Saham (Studi Kasus pada Perusahaan Manufaktur Sektor Properti, Real Estate dan Building Construction yang Terdaftar Dalam BEI Tahun 2015-2019). *E-Jurnal Ilmiah Riset Manajemen*, 9(4), 31–45.
- Lawandi, R., & Firdausy, C. M. (2019). Pengaruh Debt To Equity Ratio, Return On Equity dan Earning Per Share Terhadap Harga Saham Perusahaan Real Estate dan Properti yang Terdaftar di Bursa Efek Indonesia. *Jurnal Manajemen Bisnis Dan Kewirausahaan*, 4(5), 178–183. <https://doi.org/10.24912/jmbk.v4i5.9204>
- Rahmatullah, B., Ahmad, I. S., & Rahayu, S. P. (2019). Pemodelan Harga Saham Sektor Konstruksi Bangunan, Properti dan Real Estate di JII 70 Tahun 2013-2018 Menggunakan Regresi Data Panel (FEM Cross-section SUR). *Jurnal Sains Dan Seni Institut Teknologi Sepuluh Nopember*, 8(2), 2337–3520. <https://doi.org/10.12962/j23373520.v8i2.44380>
- Sholichah, F., Asfiah, N., Ambarwati, T., Widagdo, B., Ulfa, M., & Jihadi, M. (2021). The Effects of Profitability and Solvability on Stock Prices: Empirical Evidence from Indonesia. *Journal of Asian Finance, Economics and Business*, 8(3), 885–894. <https://doi.org/10.13106/jafeb.2021.vol8.no3.0885>
- Tarsono, O. (2021). The Effect of Debt Equity Ratio, Return on Equity, Net Profit Margin on Stock Prices. *International Journal of Social Science*, 1(4), 393–398. <https://doi.org/10.53625/ijss.v1i4.716>