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Research.

The Effect of Macro and Microeconomic Factors on Company Value in Property and Real Estate Companies Listed on the IDX for the 2017-2021 Period

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Abstract: *This research aims to examine the impact of macro and micro economic factors on company value. Macroeconomic factors are proxied by interest rates and inflation, while microeconomic factors are proxied by sales growth, company size and capital structure. The sample selection technique was comducted using the purposive sampling method, the data is secondary data, the data was obtained from the website of the Indonesia Stock Exchange (IDX) for the period 2017 - 2021. Multiple Linear Regression was used as a method of data analysis and data processing using the eViews 12.0 application. The results showed that macroeconomic factors, namely interest rates, did not have a significant effect on company value and inflation had a significant positive effect on company value. Microeconomic factors, namely sales growth, company size and capital structure have no effect on company value.*

Keywords: *interest, inflation, growth, size, capital structure, company value.*

Introduction

Background

Company value is an investor's perception of the current condition of the company and predictions for the future, company value is the main focus of managers because managers are required to continue to increase the company value they manage. There are many indicators to measure the value of a company, including stock prices, because stock prices represent investors' views or judgments about current management performance and future predictions. An increase in the company's stock price will be followed by an increase in the company value.

In June 2020 lokadata.id reported that according to data compiled by the financial services authority, during 2020 the JCI corrected 22.53%, and this was the most severe decline in ASEAN. The property and real estate sector, which fell 34.30%, was the index's biggest fall, followed by the agricultural sector with 33.49% and the various industrial sector with 29.07%.

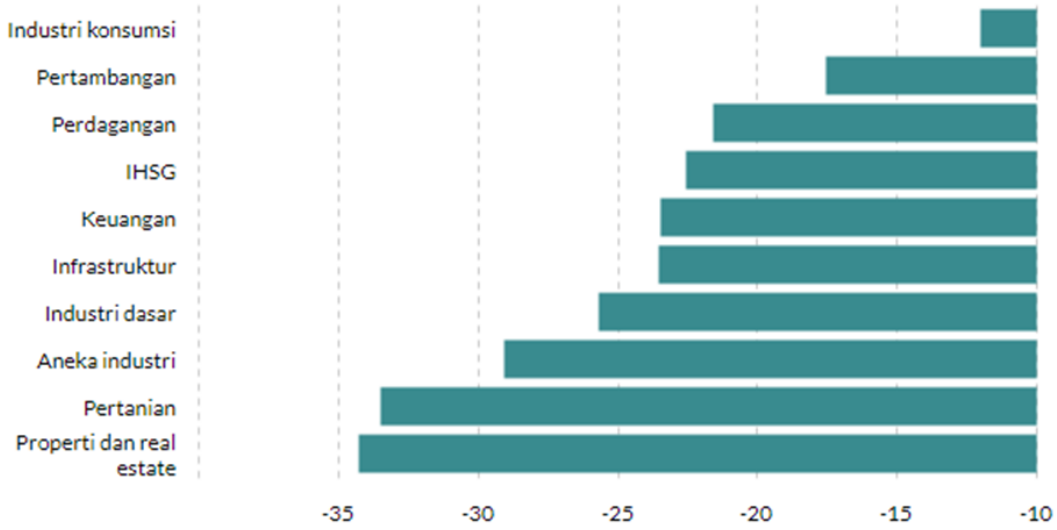

Figure 1: 2020 Sectoral Index Growth

Property and real estate companies were the biggest contributor to the decline in the JCI. This phenomenon shows that the property and real estate sector has not optimally provided the best company value performance. The worsening of the JCI in all sectors in June 2020 was also because of macro factors, namely the Covid 19 pandemic which affected the condition of the Indonesian economy.

There are several factors that affect the value of a company as measured by the stock price, including macro and micro economic factors. Microeconomic factors are conditions within the company which consist of several financial decisions, management performance and so on, while macroeconomic factors are the external conditions of the company and affect the ups and downs of company performance (Rakasetya, 2013).

The macroeconomic factors examined in this research are the interest rate and inflation rate of a country. Indonesia's interest rate policy fluctuates every year, the property business sector is closely related to credit sales so that changes in interest rates can affect the financial performance of property companies. Macroeconomic factors such as a country's inflation rate also influence people's purchasing power, especially in the property sector. In the last five years the inflation rate in Indonesia has tended to fluctuate, the fluctuating inflation rate affects people's purchasing power and the investment value of an asset, especially assets in the form of property.

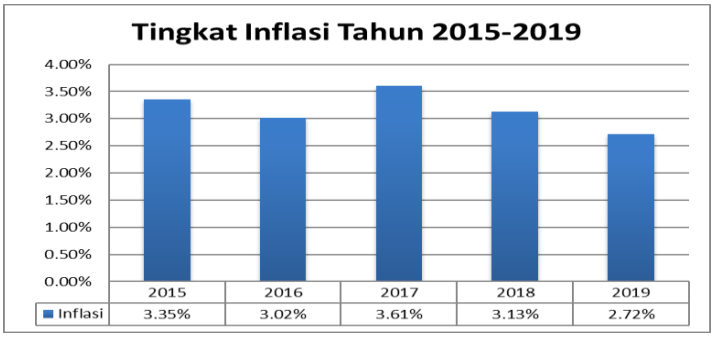

Figure 2: Inflation Rate in Indonesia in 2015-2019
Source: Bank Indonesia

According to the Central Bureau of Statistics, inflation is a tendency to increase prices for goods and services in general and takes place continuously. An indication of rising inflation is if the price of goods and services in the country increases. An increase in domestic commodity prices, both goods and services, will cause a decrease in the value of money. From the inflation chart in Figure 2, it shows that inflation in Indonesia fluctuates every year, the highest inflation occurred in 2017, namely 3.61%. Increases and decreases in inflation rates affect property and real estate companies, consumers will give two different attitudes in responding to inflation rates on the decision to buy property. On the one hand, high inflation indicates an increase in the price of goods and is a positive thing for investment, but on the other hand, an increase in inflation also has an impact on reducing people's purchasing power and this can affect the decision to invest in property.

From various previous researches that examined the influence of macroeconomic factors on company value in various industries, it showed inconsistencies. (Ningsih & Waspada, 2019) in his research found results that in property companies interest rates have a positive and significant effect on company value, these results are also in line with research (Nuryani et al., 2021) that interest rates significantly affect company value. However, research conducted by (Hendayana & Riyanti, 2020) found different results, in plantation companies for the 2012-2017 period interest rates did not significantly affect company value. Research on other macro factors, namely the relationship between inflation and company value is also different or the results are still not consistent. Research conducted by (Rakasetya, 2013) shows the results that in mining and mining services companies an increase in inflation will positively affect company value. Similar results were also shown in research (Nuryani et al., 2021) that in property and real estate companies increased inflation had a significant effect on company value. Different results were shown in research conducted by (Hendayana & Riyanti, 2020) which found that the effect of inflation on company value was not significant.

In addition to macroeconomic factors, microeconomic factors can also affect company value. Microeconomic factors are economic factors related to conditions within the company (Rakasetya, 2013). The company's internal conditions include financial performance, capital structure decisions, investment, company size, sales growth, ownership structure and so on. In this research the micro factors studied were sales growth, company size, and capital structure. The influence of microeconomic factors on company value has been extensively researched, but the research results have not been consistent. Research conducted by (BA Santoso & Budiarti, 2020) in his journal entitled Profitability as a Mediation of Sales Growth and capital structure on Company Value found results that sales growth and capital structure had a negative and significant impact. Other studies have found different results, such as research by (Limbong & Chabachib, 2016) which found that capital structure has a positive and significant effect on company value, while company size does not significantly affect company value. Research on the effect of company size on company value also found different results. Some research conducted by (Suwardika & Mustanda, 2017), (Limbong & Chabachib, 2016) found that company size has a negative and insignificant effect on company value, However, different results were found in research conducted by (Khoeriyah, 2020) which stated that positive company size did not significantly affect company value. In another research conducted by (Ningsih & Waspada, 2019) found results that the company size actually affects the company value positively and significantly. With the inconsistent results of previous research related to the relationship between macro and micro economic factors on company value, there is still a theoretical gap that can be proven empirically.

From the description of the background of the problem, the authors determine the title of this research is "The Effect of Macro and Microeconomic Factors on Company Value in Property and Real Estate Companies Listed on the IDX for the 2016-2020 Period".

Formulation of the Problem

1. Do interest rates affect the company value?
2. Does inflation affect the company value?
3. Does sales growth affect the company value?
4. Does the company size affect the company value?
5. Does the capital structure affect the company value?

LITERATURE REVIEW

Signaling Theory

According to (Brigham, EF, & Houston, 2010), signals are steps taken by companies to provide guidance to investors about management's view of the company's prospects. The signal theory shows that there is an information dissimilarity between management and stakeholders with that information. Signaling theory explains how companies should provide signals to users of financial reporting. Signals provide investors with guidance from company management to assess the long-term condition of the company (Khamidah, 2019).

Signal as a liaison company to investors. The company provides an overview of the company's condition according to the company's financial performance, and management provides information on the achievements of management with the aim of realizing the wishes of shareholders (Nuryani et al., 2021)

Microeconomic factors are signals that can be assessed by shareholders through financial performance and other management decisions. An increase in the company's financial performance can be captured as a positive signal by investors, so that the demand for company shares increases and this will increase the company's value in the eyes of investors. While macroeconomic factors such as interest rates and inflation rates serve as signals for management to make the right decisions or policies, macro factors also serve as signals for investors to project the possibilities that will occur in investments.

Company Value

The main goal of the company is to maximize shareholder wealth. Corporate value is used as a measure of management's success in increasing shareholder prosperity. The company value is reflected in the stock price, the higher the stock price, the shareholders have the potential to receive returns from capital gains. Maximizing the company's market value is the same as maximizing the stock market price (Brigham, EF, & Houston, 2010, p. 7). According to (Husnan, S., & Pudjiastuti, 2006) company value is the price that prospective buyers are willing to pay if the company is sold. (Brealey, 2007, p. 46) states that the company value summarizes the collective assessment of investors about how well the condition of a company is, both its current performance and its future projections.

Thus, the company value is the view and assessment of investors on the success of the company which is often associated with stock prices. High stock prices reflect high company value. The high company value will cause the market to believe not only in the company's current performance but also in the company's prospects in the future.

Companies with high value achievement will encourage investors' desire to invest. Company value is measured using price book value (PBV) with the formula (Wiagustini, 2010, p. 81):

$$Price\ Book\ Value = \frac{Price\ Per\ Share}{Book\ Value\ per\ Share}$$

$$Book\ Value = \frac{Total\ Equity}{Total\ Outstanding\ Share}$$

Macroeconomic Factors

1. **Interest Rates**

   Interest rates are the price paid for loan capital and dividends as well as capital gains which are the result of share capital (Brigham, EF, & Houston, 2010). Indonesia applies Bank Indonesia interest rates (SBI) sourced from Bank Indonesia. The BI interest rate is issued and then published by Bank Indonesia and is a policy directive to be implemented in all sectors of the economy. High interest rates motivate investors to divert their funds to invest in banks rather than investing them in the production or industrial sector because of greater risk factors (Khalwati, 2010).

2. **Inflation**

   Inflation is an event that describes a situation and condition in which the prices of goods increase and currency values decrease, and if it continues it will result in a worsening of the economic situation in general and can shake the country's political stability (Fahmi, 2012, p. 186) . The decline in currency value is caused when commodity prices increase in general, continuously and systematically. If this happens, people's purchasing power will decrease because of soaring prices, this can have an impact on interest in buying property. Inflation can reduce the company's stock price, because investors will tend to invest their funds in the form of savings and deposits and abandon risky investments such as stocks. if the demand for shares decreases, the share price will also decrease and this is a decrease in the value of a company.

   According to (Nuryani et al., 2021) the formula for calculating:

$$INFn = \frac{IHKn - IHKn - 1}{IHKn - 1}$$

   Consumer Price Index (CPI).

Microeconomic Factors

1. **Sales Growth**

   Sales Growth is a ratio to assess and measure the company's sales growth from year to year, (Tambunan, 2008). Sales growth above the average is a measure that the company has succeeded in gaining market share in the industry. Therefore according to (Riyanto, 2001) it can be said that sales growth shows investment success in the past period and can be used for future projections marked by rising stock prices to attract investors and increasing the percentage growth in sales figures for the company. For this research, sales growth was proxied using the following formula (Tambunan, 2008):

$$Sales\ Growth = \frac{Net\ Sales\ n - Net\ Sales\ n-1}{Net\ Sales\ n-1}$$

2. Company Size

According to (Husnan, S., & Pudjiastuti, 2006) company size is a measure that can show the size of a company in several ways, which consists of three categories such as total assets, log size, and market value of shares. According to its size, companies can be categorized into large, medium and small businesses. The company size can be measured by the total assets or the company size's assets by using the logarithm of total assets (Hartono, 2003). Firm size can be obtained by the formula (Hartono, 2003):

Company Size= Ln (Total Assets)

3. Capital Structure

Capital structure is the capital balance between external funding, namely debt and equity as an internal source of funds used for operational activities and long-term investment of the company (BA Santoso & Budiarti, 2020). The capital structure is the structure of the company's funding sources, in the sense of what proportion of each funding source is used by the company to fund working capital and investment. The optimal capital structure is the capital structure with the most efficient cost of capital so as to maximize profits and company value (Harjito, A., 2012). Measurement of capital structure is comducted by the debt to equity ratio (DER) which is a comparison between total debt and total equity. The DER ratio can measure the extent to which a company is able to pay debts with its equity (B. A. Santoso & Budiarti, 2020);

$$DER = \frac{Total\ Liabilities}{Total\ Equity}$$

Framework

The relationship between independent variables and independent variables can be stated in the framework of thought. This thinking framework was developed to make it easier to understand the concepts used.

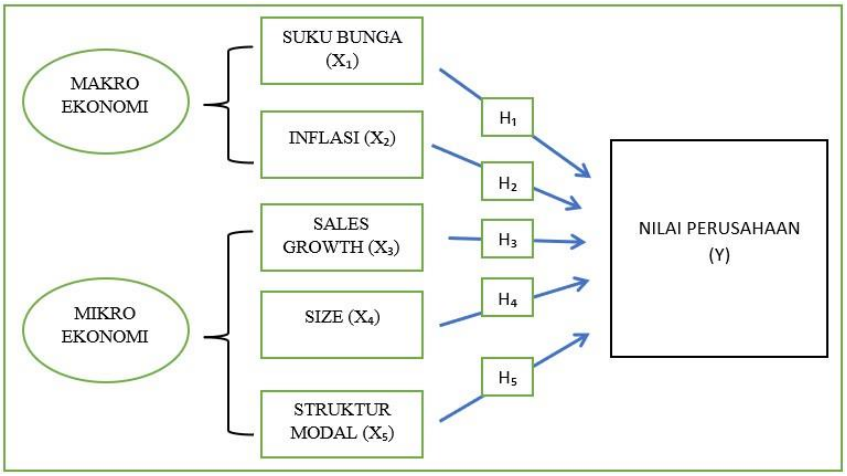

Figure 3. Framework

Research Hypothesis

H_1: Interest rates significantly affect company value

H_2: Inflation significantly affects company value

H_3: Sales Growth significantly affects company value

H_4: Company size significantly influences company value

H_5: Capital Structure significantly affects company value

RESEARCH METHODS

Types of Research

This research is a type of causal associative research which aims to find the relationship between one variable and another variable, in this case to analyze how the independent variable influences the dependent variable.

Population and Sample

The type of data used is secondary data. Data is obtained from financial and annual reports that are announced to the public through the website of the Indonesia Stock Exchange (IDX) www.idx.co.id and the websites of the property and real estate companies under review.

The population in this research are property and real estate companies listed on the Indonesia Stock Exchange for the 2017-2021 period. The sample selection method uses a purposive sampling method. The purposive sampling method is a sampling method that uses several criteria according to certain considerations to obtain a meaningful sample (Sugiyono, 2014, p. 149). The criteria used are as follows:

1. Property and real estate companies listed on the Indonesia Stock Exchange for the period 2017 – 2021 respectively.
2. Companies with complete data for measuring each research variable.
3. Companies that consistently do not lose money during the research period.

Data Analysis Method

The method used is multiple linear regression analysis with a significance level of 0.05. Data processing uses eviews 12. The statistical method steps comducted are descriptive statistics, classical assumption tests, multiple linear regression tests, hypothesis testing and conclusion drawing.

RESULTS AND DISCUSSION

Descriptive Statistics

According to the results of the descriptive statistical analysis test in table 1, it shows that the total number of research samples (observations) is 75. This number is the total sample of property and real estate companies for 5 years during observations in research from 2017 to 2021 where every year there are 15 property companies as research samples.

Table 1. Descriptive Statistics Test Results

Date: 08/08/22 Time: 13:34
Sample: 2017 2021

	PBV	BUNGA	INFLASI	GROWTH	SIZE
Mean	0.942027	0.045000	0.026020	0.020387	27.41112
Median	0.642000	0.042500	0.027200	-0.005000	29.52700
Maximum	4.735000	0.060000	0.036100	1.533000	31.75000
Minimum	0.094000	0.035000	0.016800	-0.912000	16.02800
Std. Dev.	0.981797	0.009144	0.007391	0.385557	4.673787
Skewness	2.299985	0.550482	-0.001500	1.141959	-1.415110
Kurtosis	8.280801	1.893939	1.459828	6.019795	3.724499
Jarque-Bera	153.2706	7.610910	7.412929	44.79826	26.67202
Probability	0.000000	0.022249	0.024564	0.000000	0.000002
Sum	70.65200	3.375000	1.951500	1.529000	2055.834
Sum Sq. Dev.	71.33042	0.006187	0.004042	11.00039	1616.477
Observations	75	75	75	75	75

Source: processed data, 2022

Interest rate (X1) as a proxy for macroeconomic factors has an average value of 0.045000, a median value of 0.042500, a maximum value of 0.060000, a minimum value of 0.035000, a standard deviation value of 0.009144, a skewness value of 0.550482, the kurtosis value is 1.893939, jarque-bare is 7.610910, the probability value is 0.022249, the sum value is 3.375000, and the sum value is q. Dev is 0.006187. The standard deviation is smaller than the mean, so there are no large fluctuations in the interest rate variable.

Inflation (X2) as a proxy for macroeconomic factors has an average value of 0.026020, a median value of 0.027200, a maximum value of 0.036100, a minimum value of 0.016800, a standard deviation value of 0.007391, a skewness value of -0 .001500, the kurtosis value is 1.459828, jarque-bare is 7.412929, the probability value is 0.024564, the sum value is 1.951500, and the sum value is q. Dev is 0.004042. Mean > std.deviation shows small fluctuations.

Sales Growth (X3) as a proxy for microeconomic factors has an average value (mean) of 0.020387, a median value of -0.005000, a maximum value of 1.533000, a minimum value of -0.912000, a standard deviation value of 0.385557, the skewness value is 1.141959, the kurtosis value is 6.019795, jarque-bare has a value of 44.79826, the probability value is 0.00000, the sum value is 1.529000, and the sum value is q. Dev is 11.00039. Average < std.deviation, so the growth data fluctuates a lot.

Firm size (X4) as a proxy for microeconomic factors has an average value of 27.41112, a median value of 29.52700, the highest value is 31.75000, the lowest value is 16.02800, the standard deviation value is 4.673787, the skewness value is -1.415110, kurtosis is 3.724499, jarque-bare is 26.67202, probability is 0.000002, sum is 2055.834, and sum is q. Dev is 1616,477. Mean > Std. Deviation, then the data does not fluctuate too much.

Company value (Y) as the dependent variable has an average (mean) of 0.942027, median value of 0.642000, highest value of 4.735000, lowest value of 0.094000, standard deviation value of 0.981797, skewness value of 2.299985 , the kurtosis value is 8.280801, jarque-bare has a value of 153.2706, the probability value is 0.000000, the sum value is 70.65200, and the sum value is q. Dev is 71.33042. Average < Std. Deviation means that there are quite large fluctuations in the company's value data.

Classic Assumption Test

1. Normality Test

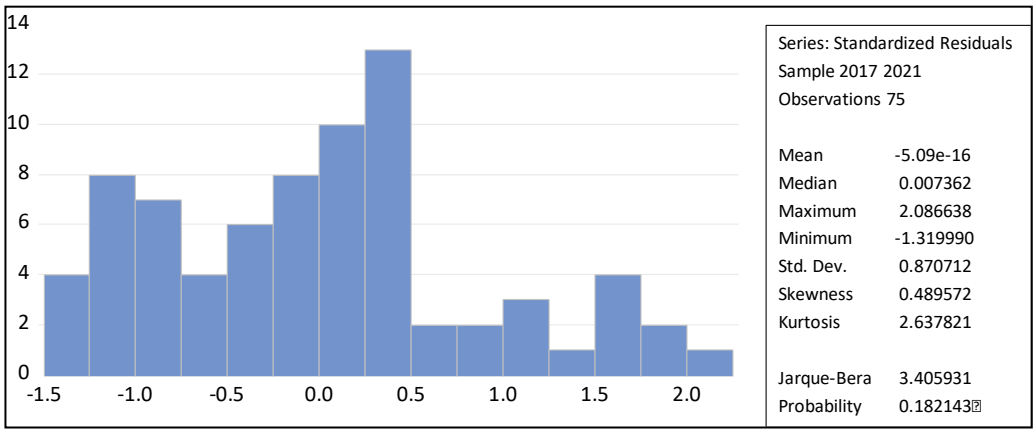

Figure 4. Normality Test Results

Source: data processed eviews 12, 2022

Figure 4 shows that the data is normally distributed, according to the results of the Jarque-Bera test, the probability value is 0.182143 > α (0.05), which means that H_0 is accepted.

2. Multicollinearity Test

Table 2. Multicollinearity Test Results

	BUNGA	INFLASI	GROWTH	SIZE	DER
BUNGA	1.000000	0.606629	-0.019222	-0.003792	-0.106976
INFLASI	0.606629	1.000000	0.026828	-0.007898	-0.132916
GRO...	-0.019222	0.026828	1.000000	-0.008641	0.044219
SIZE	-0.003792	-0.007898	-0.008641	1.000000	0.262154
DER	-0.106976	-0.132916	0.044219	0.262154	1.000000

Source: data processed eviews 12, 2022

The output correlation matrix shows that the correlation value between the independent variables is less than 0.8. This shows that the relationship between variables is very weak or less than 0.8, so that multicollinearity does not occur.

3. Heteroscedasticity Test

Heteroscedasticity test was comducted with the Breuch Pagan Godfrey test. From the test results obtained the value of Prob. Chi-Square (the Obs*R-square) is 0.6510 > 0.05, so it can be concluded that there is no heteroscedasticity problem in the regression model.

Table 3. Heteroscedasticity Test Results

Heteroskedasticity Test: White
Null hypothesis: Homoskedasticity

F-statistic	0.790856	Prob. F(19,55)	0.7073
Obs*R-squared	16.09354	Prob. Chi-Square(19)	0.6510
Scaled explained SS	40.56180	Prob. Chi-Square(19)	0.0028

Source: data processed eviews 12, 2022

Multiple Linear Regression Analysis

Table 4. Multiple Regression Analysis Result

Dependent Variable: PBV
Method: Panel EGLS (Cross-section random effects)
Date: 08/08/22 Time: 13:40
Sample: 2017 2021
Periods included: 5
Cross-sections included: 15
Total panel (balanced) observations: 75
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.105519	1.452153	0.072664	0.9423
BUNGA	-6.178702	5.189465	-1.190624	0.2379
INFLASI	13.29149	6.498437	2.045336	0.0446
GROWTH	-0.106522	0.104186	-1.022422	0.3102
SIZE	0.022171	0.051726	0.428628	0.6695
DER	0.200454	0.136147	1.472339	0.1455

Source: data processed eviews 12, 2022

Regression equation:

PBV = 0.105519 – 6.178702 INTEREST + 13.29149 INFLATION – 0.106522 GROWTH + 0.022171 SIZE + 0.200454 DER

The multiple linear regression equation can be explained as follows:

1. The constant value of 0.105519 indicates that if all the independent variables consisting of interest rates, inflation, sales growth, company size (size) and capital structure (DER) are zero (0), the company value (PBV) will be 0. 105519
2. The regression coefficient of the interest rate variable is -6.178702, the negative coefficient value indicates a non-unidirectional relationship between the independent variable interest rate and the dependent variable company value. If interest rates increase by one unit, the company value will decrease by 6.178702 or vice versa if interest rates decrease by one unit, the company value will increase by 6.178702 assuming other independent variables remain unchanged.
3. The regression coefficient of the inflation variable is 13.29149, a positive coefficient value indicates a unidirectional relationship between the independent variable inflation and the dependent variable of company value. If inflation is one unit, the company value will increase by 13.29149 or conversely if inflation decreases by one unit, the company value will decrease by 13.29149 assuming other independent variables remain unchanged.
4. The regression coefficient of the variable sales growth is -0.106522, a negative coefficient value indicates an opposite relationship between the independent variable

sales growth and the dependent variable company value. If sales growth increases by one unit, the company's value will decrease by 0.106522 or vice versa if sales growth decreases by one unit, the company's value will increase by 0.106522 assuming other independent variables remain unchanged.

5. The regression coefficient of the variable firm size (size) is 0.022171, a positive coefficient value indicates a unidirectional relationship between the independent variable firm size and the dependent variable company value. If the company size increases by one unit, the company value will increase by 0.022171 or vice versa if the company size decreases by one unit, the company value will increase by 0.022171 assuming other independent variables remain unchanged.
6. The regression coefficient of the capital structure variable (DER) is 0.200454, a positive coefficient value indicates a unidirectional relationship between the independent variable capital structure and the dependent variable company value. If the capital structure increases by one unit, the company value will increase by 0.200454 or vice versa if the capital structure decreases by one unit, the company value will decrease by 0.200454 assuming other independent variables remain unchanged.

Discussion of Test Results

1. The effect of interest rates on company value

The results of testing the H_1 hypothesis can be explained that interest rates have no effect on company value. Tests on the interest rate variable show a probability value of 0.2379 which is greater than the significance level of 0.05. The interest rate regression coefficient is -6.178702, indicating a non-unidirectional direction of influence. An increase in interest rates will reduce the company value. The results of this research are in accordance with the results of previous research, namely research conducted by Hendayana and Riyanti (2019).

An increase in interest rates can be a negative signal for the development of stock prices, this is because high interest rates will affect the motivation of investors to invest. Investors will think rationally considering returns and risks, high interest will be a consideration for diverting funds from stock investment to deposits or other banking products, besides that investment in banks has a lower risk than stocks.

2. The effect of inflation on company value

The results of testing the H_2 hypothesis explain that inflation has a significant positive effect on company value. This can be seen in the results of the t test showing the inflation probability rate of 0.0466 <0.05 so that the hypothesis H_0 is rejected and H_1 is accepted. The inflation regression coefficient is 13.29149, indicating a unidirectional influence, so that an increase in inflation will increase company value.

In the property sector, inflation, which is an increase in commodity prices, especially in the property sector, is a macro factor that benefits property investors. Inflation which causes rising property prices will encourage an increase in property sales and this is a good prospect and is captured as a positive signal by investors for companies in the property sector. Investors tend to buy shares in companies that are growing.

3. The effect of sales growth on company value

The results of testing the H_3 hypothesis can be explained that sales growth has no effect on company value. The probability value of the sales growth variable is 0.3102, which is greater than the significance level of 0.05. The regression coefficient of sales growth is -0.106522, indicating a non-unidirectional influence. So that an increase in sales growth will reduce the company value. The results of this research are in accordance with the results of previous research, namely research conducted by

Santoso and Budiarti (2020), The size of a company's sales does not affect investment decisions for investors, so it does not affect the ups and downs of a company's value. The results of this research indicate that an increase or decrease in sales is not a factor considered by investors in making investment decisions. The increase or decrease in sales is not a significant factor that shows the company's financial performance, because sales must be compared with costs so that the company's ability to generate profits can be assessed. If sales increase but costs increase higher, the company's profitability performance is not good.

4. **The effect of company size on company value**
   The results of testing the H4 hypothesis can be explained that company size has no effect on company value. The probability value of the firm size variable is 0.6695, which is greater than the significance level of 0.05. The regression coefficient for firm size is 0.022171, indicating a unidirectional influence. So that an increase in the company size will increase the company value. The results of this research are in accordance with the results of previous research, namely research conducted by Khoeriyah (2020).
   This shows that the company size with the total assets indicator does not provide a significant signal to investors, investors do not consider the size of the assets owned by the company. This can be analyzed because the company size's assets does not necessarily indicate optimal financial performance. Optimizing asset management to generate profits is a more relevant factor in assessing financial performance compared to the size of the assets.

5. **The effect of capital structure on company value**
   The results of testing the H5 hypothesis can be explained that capital structure has no effect on company value. The probability value of the capital structure variable is 0.1455, which is greater than the significance level of 0.05. The capital structure regression coefficient is 0.200454, indicating a unidirectional influence. So an increase in capital structure will increase the company value. The results of this research are in accordance with the results of previous research, namely research conducted by Ningsih and Waspada (2019).
   Capital structure is the ratio between the total debt to the total capital of the company. If an increase in debt can increase higher profitability and accelerate business expansion or in other words increase benefits for the company, additional debt is still permitted, but if the sacrifice because of the use of debt is greater, additional debt is not permitted (Ehrhardt and Brigham, 2016) in (Ningsih and Alert, 2019). In other words, the higher the debt, the greater the risk, but currently each company has implemented risk management for every step that will be taken by the company. So that a high level of debt will not affect investor confidence in the company and will not affect the company value.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

This research examines the effect of macro and microeconomic factors on company value with interest rates and inflation proxies from macroeconomic factors and sales growth, company size and capital structure as a proxy for microeconomic factors in property and real estate companies listed on the IDX for the 2017-2021 period . The results showed that macroeconomic factors, namely interest rates, had no effect on company value, while inflation had a significant positive effect on company value. Microeconomic factors consisting of three variables, namely sales growth, company size and capital structure have no effect on company value.

Recommendation

Limitations in the scope of the research, namely only 15 property and real estate companies, limited research time of only five years (2017-2021) and independent variables which are limited to only two macro variables and three microeconomic variables, so the authors provide several suggestions to researchers then to examine other industrial sectors, add macro and micro variables that are thought to affect company value such as exchange rates, economic growth, financial performance, environmental performance and so on.

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