FACTOR THAT AFFECT STOCK RETURNS OF PROPERTY AND REAL ESTATE SECTOR ON IDX IN 2017-2021

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ABSTRACT

This study aims to determine the effect of current ratio, debt to equity ratio, return on investment, earnings per share and dividend payout ratio towards stock returns of property and real estate sector that are listed on the Indonesia Stock Exchange in 2017-2021 period. The sampling technique used was purposive sampling and obtained a sample of 45 companies. The result of this study indicates that the debt to equity ratio has a negative influence on stock returns, while the rest, namely, current ratio, return on investment, earning per share and dividend payout ratio have no effect on stock returns.

Keyword   *:* Current Ratio; Debt to Equity Ratio; Return On Investment; Earning Per Share; Dividend Payout Ratio; Stock Returns

INTRODUCTION

The rapid growth of the world economy and the advancement of business competition in Indonesia make companies from various sectors motivated to continue to increase competitiveness in order to obtain as much profit as possible and try to continue to stand in a stable position. The success of the company is based on the ability of a company's management to earn large profits.

All companies expect an increase in profits every time but in fact profits do not always increase and will experience a decline. Company profits reflect the value of a company. If a company is able to get a large profit, the company value will increase where the company value itself is a level of success of a company.

The rate of economic growth is growth from one period to another using percentages and the economic growth rate can show changes in a country's income over a certain period of time. (Manullang et al., 2020). The rate of economic growth can be measured from the GDP of a country or a sector whose data can be obtained from the central statistics agency. Rapid GDP growth can indicate the occurrence of positive economic growth. With the improvement of economic growth, people's purchasing power will increase, which in turn will increase company sales and opportunities for profit will increase. (Utami & Sulistyowati, 2022)..

There is a movement in the contribution of the property and real estate sector to Indonesia's GDP during 2017-2021, which can be concluded that the contribution rate of the property and real estate sector is still relatively low, which is only below 3% and is still very small when compared to the contribution of other sectors to Indonesia's GDP. The contribution of the property sector to GDP in Indonesia can still be said to be low compared to ASEAN countries. The contribution of the property sector to Singapore's GDP reached 23.34%, and 21.09% of the property sector's contribution to the Philippines' GDP, which then in Malaysia managed to contribute 20.53%, followed by Thailand at 8.30%. According to Hendro Gondokusumo as Deputy Chairman of Kadin for Property, if the contribution of the property sector to GDP can touch up to 8%, it will provide tremendous growth to the Indonesian economy because there are 175 industrial sectors that are directly or indirectly related to the property sector. So if the property sector increases, it will have a direct impact on related sectors. (www.republika.co.id, 2020). The selection of the property and real estate sector as the object of this study is because the property and real estate sector can make a major contribution to the economic growth of a country.

In 2020 the Covid-19 pandemic had a negative impact on various sectors in Indonesia, including the property sector. Most property prices such as houses, apartments, and motor vehicles have experienced a sharp decline. This is because the demand for the property sector has decreased due to people who are cautious about spending in the midst of a pandemic. (Rosfitasari, 2021). The sluggishness of the property sector due to the covid-19 pandemic has made people still cautious in their spending by eliminating less needed needs. In addition, this condition can also occur due to the higher price of building raw materials so that to build a property such as a house requires a greater cost than the previous year and results in a higher selling price. Where the higher the selling price of the property, the more difficult it will be to get enthusiasts, especially during the covid-19 pandemic. With these conditions, property sector companies will experience a decrease in revenue which in turn can affect the company's share price which can decrease along with the stock return that will be generated where, the lower the revenue the company gets, the lower the possibility of stock returns that can be obtained by its investors. This is in line with what was stated by Darmayanti et al. (2020)which states that the decrease and increase in demand for services is directly proportional to the low and high stock prices which will also have an impact on the decrease or increase in stock returns. The risk and return obtained by investors on the company can be influenced by events that affect the price and trading activity of the company's shares.

In 2021, the real estate and construction sectors grew by 2.78% and 2.81% (yoy) respectively. This low growth is still in line with the weak consumption level of the Indonesian people, which only grew by 2.02%. Although still relatively low, the growth of the property sector in 2021 is said to be better than 2020 (Rahadian, 2022). The government policy through Bank Indonesia in issuing a VAT-free program and also the 0% DP KPR decision in 2021 has a positive influence on economic recovery so that the performance of the fourth quarter - 2021 can be expected to recover from the performance of the second quarter - 2021. (Rusyanto, 2021).

Investors need some information before making a decision to invest their capital. This information can be obtained from the company's financial statements. Analysis of financial statements aims to determine the performance of a company in a certain period which will be used as a consideration in the future, so that financial reports are needed for parties inside and outside the company. The information needed by investors can be seen from financial ratios including current ratio, debt to equity ratio, return on investment, earning per share and can also be seen from the dividend policy represented by the dividend payout ratio.

Current ratio or current ratio is a ratio to measure the company's ability to pay short-term obligations or debts that are due immediately when billed as a whole. (Kasmir, 2016). If the company's current ratio is high, it can be said that the company is able to finance its current obligations on time. This is in line with signal theory because companies are considered to provide good signals to investors and attract investors to buy the company's shares. The higher the demand for shares will affect the increase in stock prices which will later impact on stock returns because the company has good financial performance. (Aini et al., 2020). The results of

previous research conducted by Latifah & Pratiwi (2019)The results of previous research conducted by Latifah & Pratiwi (2019) show that the Current Ratio (CR) variable has a positive and insignificant effect on stock returns, while according to Anthonio (2017), shows that the Current Ratio variable has no effect on stock returns.

According to Cashmere (2016) debt to equity ratio shows the relationship between the amount of long-term debt and the amount of equity capital provided by the company owner to find out the funds provided by creditors and company owners. If the DER owned by the company is large, the company's risk will be high which results in investors who tend to avoid stocks with high DER which will have a negative impact on the company's performance because if the DER is higher, the company's interest expense will be greater and will reduce profits, so that if the DER is high it will reduce stock returns. (Purwitasari et al., 2021).. According to research Latifah & Pratiwi (2019) the Debt to Equity Ratio (DER) variable has a significant negative effect on stock returns, while according to research by Pandaya et al. Pandaya et al. (2020), the DER variable has no effect on stock returns.

According to Cashmere (2016)Return On Investment is the company's ability to generate profits that will be used to cover the investment spent. According to Rachdian & Achadiyah (2019) if the ROI value is higher, the company's position will be better because it means that the company's ability to cover investment is getting bigger. Better company profitability will show the expertise of a company in managing its assets which will later affect stock returns. According to Anthonio (2017)(2017), the Return On Investment variable has a positive effect on stock returns, while according to Oktavianti (2018), the return on investment variable has a positive effect on stock returns. Oktavianti (2018)(2018), the variable return on investment (ROI) has no effect on stock returns.

Earning per Share (EPS) is basically the net profit distributed to investors. Definition of Earning Per Share (EPS) according to Cashmere (2016) is a ratio that shows the amount of profit earned from each existing share. Earning per Share (EPS) is usually used by investors to make decisions to buy or sell shares. The greater the Earning per Share (EPS), the more likely the company is to generate net profits for investors. If a company is able to increase Earning per Share (EPS), the demand for shares will also increase, which in turn will increase stock returns. (Purwitasari et al., 2021).. According to research conducted by Pandaya et al. (2020)(2020), the EPS variable has a significant negative effect on stock returns. The results of this study are inversely proportional to the research conducted by Kusumawardhani & Sapari (2021) which shows that the earning per share variable has no effect on stock returns.

According to Ermiati et al. (2019) Dividend policy is a decision made by the company whether the profit earned at the end of the period is distributed to shareholders as dividends or the profit is retained as an increase in the company's capital which will be used in activities, or investment in the company's future development. Dividend policy will be represented by the dividend payout ratio (DPR) in this study. According to Murhadi (2013) dividend payout ratio is a ratio that shows the amount of dividends distributed against the company's net income. Dividend payout ratio is calculated by dividing dividend per share by earnings per share. Companies with high risk will pay a smaller DPR so that if the profit earned decreases, the dividend is not cut. Conversely, if the company has a low risk, it tends to pay a larger DPR. So, the more the company pays its dividends, it will reduce the company's ability to invest so that the company's growth rate will decrease and will have an impact on the share price. A declining stock price will also result in a declining stock return. (Arramdhani & Cahyono, 2020). According to research conducted Pandaya et al. (2020)(2020), the DPR variable has a significant negative effect on stock returns, while research conducted by Kusumawardhani & Sapari (2021) shows that the DPR variable has a negative effect on stock returns. Kusumawardhani & Sapari (2021) shows that the Dividend Payout Ratio (DPR) variable has no effect on stock returns.

Due to the inconsistencies in previous studies, the researchers conducted further research on "The Effect of Current Ratio, Debt to Equity Ratio, Return On Investment, Earning Per Share and Dividend Policy on Stock Returns in Property and Real Estate Sector Companies Listed on the Indonesia Stock Exchange for the 2017-2021 Period".

LITERATURE REVIEW
Agency Theory
According to Hasibuan (2014) explains that performance is the work achieved by a person in carrying out the tasks assigned to him based on skills, experience, sincerity and time. (Government Regulation of the Republic of Indonesia Number 30, 2019), Civil Servant Performance is the work achieved by each civil servant in the organization/unit according to the Employee Performance Targets (SKP) and Work Behavior. SKP is a work plan and targets to be achieved by an employee every year, while work behavior is any behavior, attitude or action taken by an employee or not doing something that should be done in accordance with the provisions of laws and regulations.

Signal Theory

Signal is an action taken by a company's management in providing clues to investors about how management assesses the prospects of a company in the future. (Brigham & Houston, 2011). This signal is in the form of information about things that have been done by management to realize the wishes of the company owner and this signal will also provide financial information that has been made by the company which is important because it will affect investors in making decisions. Signals received by outsiders can be good news or bad news. If the earnings information released by the company is a good signal, it will be an added value for a company in the eyes of investors which causes stock returns to increase. Conversely, if the earnings information released by the company is a bad signal, investors will be able to assess that there are irregularities from the company that allow a decrease in stock returns. (Qotrunnada et al., 2021).

Financial Report

Definition of financial statements according to Suryanti & Mubarok (2022) is a report designed or made for decision making for the company either used for management within the company or outside the company. The purpose of financial statements according to IAI (2018)provide information regarding the financial position, performance, and changes in the financial position of an entity that is useful for a large number of users in making economic decisions.

Financial Ratio

According to Cashmere (2016) financial ratios are carried out by comparing the numbers in the financial statements by dividing one number by another. In this study, the financial ratios that will be used are as follows: (1) Current ratio is a ratio to measure the company's ability to pay short-term obligations within one year, (2) Debt to equity ratio shows the relationship between the amount of long-term debt and the amount of own capital provided by the company owner to find out the funds provided by creditors with company owners, (3) Return on investment is the company's ability to generate profits that will be used to cover the investment spent, (4) Earning per share shows the amount of net profit of the company that is ready to be distributed to all shareholders of the company.

Dividend Policy

According to Ermiati et al. (2019) According to Ermiati et al. (2019), dividend policy provides information about company performance. Information about dividends will affect the demand and supply of company shares in the capital market, which will then affect the share price. If financial managers can create a good dividend policy that can provide regular benefits to shareholders, then stock returns will automatically increase seeing the good response that investors will give. Dividend policy can be calculated in 4 ways, namely dividend net income, dividend payout ratio, dividend per share, and dividend yield. In this study, dividend policy will be represented by dividend payout ratio.

Hypothesis Formulation

Relationship between Current Ratio (CR) and Stock Return

If the company's current ratio is high, it can be said that the company is able to finance its current obligations on time. This is in line with signal theory because companies are considered to provide good signals to investors and attract investors to buy the company's shares. The higher the demand for shares will affect the increase in stock prices which will later impact on stock returns because the company has good financial performance. (Aini et al., 2020). This is in line with research Latifah & Pratiwi (2019), Abdurrohman et al. (2021), Siahaan et al. (2021) and R. Juwita Effendy & Razmjoo (2022) which states that the current ratio variable has a positive effect on stock returns. However, it is not in line with research conducted by Anderson et al. (2021) which states that the current ratio variable has a significant negative effect on stock returns and research according to Anthonio (2017) which shows that the current ratio variable has no effect on stock returns.

H1 : Current Ratio (CR) has a Significant Positive Effect on Stock Returns in Property and Real Estate Sector Companies Listed on the IDX in 2017-2021.

Relationship between Debt to Equity Ratio (DER) and Stock Return

If the debt to equity ratio owned by the company is large, the company's risk will be high which results in investors who tend to avoid stocks with a high debt to equity ratio which will have a negative impact on the company's performance because if the DER is higher, the company's interest expense will be greater and will reduce profits, so that if the debt to equity ratio is high it will reduce stock returns. (Purwitasari et al., 2021). This is in line with research Latifah & Pratiwi (2019), Abdurrohman et al. (2021), Arramdhani & Cahyono (2020), Siahaan et al. (2021) and Anderson et al. (2021) which states that the debt to equity ratio variable has a negative effect on stock returns. However, it is not in line with research Pandaya et al. (2020), Purwitasari et al. (2021),

Nurhikmawaty et al. (2020), Kusumawardhani & Sapari (2021) and R. Juwita Effendy & Razmjoo (2022) which states that the debt to equity ratio variable has no effect on stock returns.

H2 : Debt to Equity Ratio (DER) has a Significant Negative Effect on Stock Returns in Property and Real Estate Sector Companies Listed on the IDX in 2017-2021.

Relationship between Return On Investment (ROI) and Stock Return

According to Rachdian & Achadiyah (2019) if the return on investment value is higher, the company's position will be better because it means that the company's ability to cover investment is getting bigger. Better company profitability will show the expertise of a company in managing its assets which will later affect stock returns. This is in line with research Anthonio (2017), Rachdian & Achadiyah (2019) and Siahaan et al. (2021)which states that the return on investment variable has a positive effect on stock returns. But in contrast to research Oktavianti (2018) and Wayan & Anom (2020) which shows that the return on investment variable has no effect on stock returns.

H3 : Return On Investment (ROI) has a Significant Positive Effect on Stock Returns in Property and Real Estate Sector Companies Listed on the IDX in 2017-2021.

### Earning Per Share (EPS) Relationship to Stock Return

Earning per share (EPS) is usually used by investors to make decisions to buy or sell shares. The greater the Earning per Share (EPS), the more likely the company is to generate net profits for investors. If a company is able to increase earning per share (EPS), the demand for shares will also increase, which in turn will increase stock returns. (Purwitasari et al., 2021).. This is in line with research conducted by Pandaya et al. (2020) and Purwitasari et al. (2021) which states that the earning per share variable has a negative and positive effect on stock returns, respectively. The results of this study are inversely proportional to the research conducted by Anthonio (2017), Oktavianti (2018), Wayan & Anom (2020) and Kusumawardhani & Sapari (2021) which shows that the earning per share variable has no effect on stock returns.

H4 : Earning Per Share (EPS) has a Significant Positive Effect on Stock Returns in Property and Real Estate Sector Companies Listed on the IDX in 2017-2021.

The Relationship of Dividend Policy (DPR) to Stock Return

Companies with high risk will pay a smaller dividend payout ratio so that if profits decline, dividends are not cut. Conversely, if the company has a low risk, it tends to pay a larger dividend payout ratio. So, the more the company pays its dividends, it will reduce the company's ability to invest so that the company's growth rate will decrease and will have an impact on the stock price. A declining stock price will also result in a declining stock return. (Arramdhani & Cahyono, 2020). This is in line with research conducted by Pandaya et al. (2020), Arramdhani & Cahyono (2020) and R. Juwita Effendy & Razmjoo (2022) which states that the dividend payout ratio variable has a negative effect on stock returns . However, it is not in line with research conducted by Kusumawardhani & Sapari (2021) which shows that the dividend payout ratio (DPR) variable has no effect on stock returns.

H5 : Dividend Policy (DPR) has a Significant Negative Effect on Stock Returns in Property and Real Estate Sector Companies Listed on the IDX in 2017-2021.
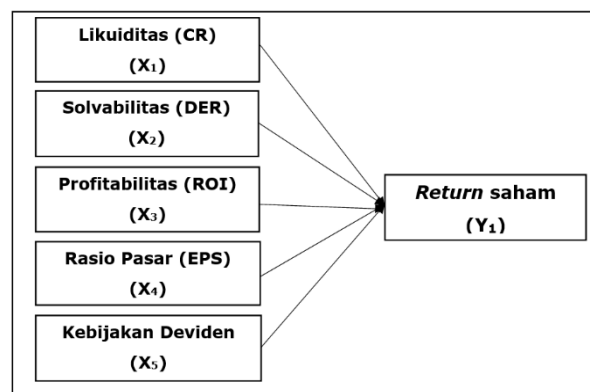
source: *processed data 2022*
Figure 1. Framework of Thought

METHODOLOGY

Place and Time of Research

This research was conducted on Property and Real Estate Sector companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period which were accessed through the IDX official website, namely www.idx.co.id. This research was conducted from September 2022 to February 2023.

Population and Sample

The population taken in this study were 81 companies in the property and real estate sector listed on the Indonesia Stock Exchange. In this study the sample was determined using purposive sampling technique. The criteria for sampling are as follows:

Table 1. Sampling Criteria

No.	Criteria	Number of Companies
1	Property and real estate companies listed on the IDX in 2017-2021	81
2	Companies that IPO after 2017	(32)
3	Companies that have been suspended during 2017-2021	(4)
	Number of Samples	**45**

Source: www.idx.co.id (2022)

Data Type and Source

The type of data used in this research is secondary data. Secondary data is data obtained in finished form and ready to use. The secondary research data is in the form of financial reports from Property and Real Estate Sector companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period. Secondary data sources used in this study were obtained from www.idx.co.id.

Operational Research Variables

Current Ratio (X_1)

The current ratio measurement can be calculated using the following formula:

$$CR = \frac{Current\ Assets}{Current\ Liabilities} \times 100\%$$

Debt to Equity Ratio (X_2)

The debt to equity ratio measurement can be calculated using the following formula:

$$DER = \frac{Total\ Debt}{Total\ Equity} \times 100\%$$

Return On Investment (X_3)

Measurement of return on investment can be calculated using the following formula:

$$ROI = \frac{EAT}{Investasi} \times 100\%$$

Earning Per Share (X_4)

Earning per share measurement can be calculated using the following formula:

$$EPS = \frac{EAT}{Total\ Outstanding\ Shares}$$

Dividend Payout Ratio (X_5)

The dividend payout ratio measurement can be calculated using the following formula:

$$DPR = \frac{Dividend\ Per\ Share}{Earning\ Per\ Share} \times 100\%$$

Stock Return (Y)

The stock return measurement can be calculated using the following formula:

$$R_t = \frac{P_t - P_{t-1}}{P_{t-1}}$$

Factor That Affect Stock Returns of Property and Real Estate Sector on IDX in 2017-2021 (Vince Mayvelline, Agus Hocky, Meliani Widy, Harry P Panjaitan, and Fitri Yani)

Data Analysis Technique
The data statistical analysis method used in this research is multiple linear regression method. Data processing in this study was carried out using the Statistical Product for Service Solution (SPSS) 22 for windows program. If the data is not normal, then research testing will continue using SmartPLS 4.

Descriptive Analysis
Descriptive analysis is used to describe and analyze the variables that will be used in this study by collecting all company data that can be used as a reference to describe the research variables so that they are easy to understand.

Classical Assumption Test
Normality Test
Normality test is a test carried out with the aim of knowing whether a regression model, independent variable, dependent variable or both are normally distributed or not. In this study, non-parametric Kolmogorov-Smirnov (K-S) statistical testing will be carried out, which can be seen from the Asymp Sig results. Data can be said to be normal if the Asymp Sig. value> 0.05 and vice versa if the Asymp Sig value <0.05 then the data is not normal. Ghozali (2018).

Heteroscedasticity Test
The purpose of the heteroscedasticity test is to test whether there is an inequality in the variance of the residuals between one observation and another in the regression model. The regression model is said to be good if the regression model includes homoscedasticity or heteroscedasticity does not occur. To test the presence or absence of heteroscedasticity, it can be done by looking at whether there is a certain pattern in the scatterplot graph between SRESID (residual) and ZPRED (dependent variable) where the Y axis is the predicted Y, and the X axis is the residual (Y prediction -Y actual) that has been standardized (Ghozali, 2018). (Ghozali, 2018).

Multicollinearity Test
Multicollinearity test aims to test whether the regression model found a relationship between independent variables. The regression model is said to be good if there is no correlation between the independent variables. How to detect the presence or absence of Multicollinearity is by paying attention to the Variance Inflation Factor (VIF) and tolerance numbers. The cutoff value that is commonly used to indicate the presence of multicollinearity is a tolerance value of less than 0.10 or equal to a VIF value of more than 0.10. (Ghozali, 2018).

Autocorrelation Test
The purpose of the autocorrelation test is to test whether in a regression model there is a correlation between confounding errors in period t and confounding errors in period t - 1 or earlier. A good regression model is a regression that is free from autocorrelation. To analyze the presence of autocorrelation, it can be done through testing the Durbin - Watson test value. (Ghozali, 2018).
    The basis of analysis to determine whether there is autocorrelation is as follows: (1) The D-W number below - 2 means there is positive autocorrelation, (2) The D-W number between - 2 and + 2 means there is no autocorrelation, (3) The D-W number above + 2 means there is negative autocorrelation.

Model Feasibility Test
Test Coefficient of Determination (R)^2
The coefficient of determination (R^2) test is used to predict how much influence the independent variable has on the dependent variable. The coefficient of determination is between zero and one. A value close to one means that the independent variables provide almost all the information needed to predict variations in the dependent variable. Conversely, a small coefficient of determination-the independent variables provide limited information in explaining the variation in the dependent variable. (Ghozali, 2018).

Multiple Linear Regression Analysis
This analysis technique is needed in a variety of good decision making, in the formulation of management policies and scientific studies. The multiple linear regression model equation can be formulated as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

Hypothesis Test (t Test)
The t test aims to determine whether the independent variables, namely current ratio, debt to equity ratio, return on investment, earnings per share, and dividend policy, have an influence on the dependent variable, namely

stock returns. (Ghozali, 2018). The basis for making t test decisions is: (1) If tcount > ttabel or significance <0.05 then the independent variable has a significant effect on the dependent variable, (2) If tcount < ttabel or significance> 0.05 then the independent variable has no significant effect on the dependent variable.

RESULTS AND DISCUSSION
Descriptive Analysis

Research Variables	Average	Minimum	Maximu	Standard Deviation
Current Ratio	4,502	0,147	206,864	14,620
Debt to Equity Ratio	0,561	-21,058	3,701	1,750
Return On Investment	2,343	-58.557	103,572	13,220
Earning Per Share	53,969	-1364	2818	298,334
Dividend Payout Ratio	0,127	-20,089	14,009	1,755
Return Saham	0,005	-0,881	3,074	0,4467

Source: Processed Data (2022)

Current Ratio
The Current Ratio variable has an average value of 4.5025 and a data distribution level of 14.6199. The highest current ratio value in the sample companies is 206.8642, while the lowest value is 0.1468.

Debt to Equity Ratio
The Debt to Equity Ratio variable has an average value of 0.5613 and a data distribution level of 1.7498. The highest debt to equity ratio value in the sample companies is 3.7010, while the lowest value is -21.0575.

Return On Investment
The Return On Investment variable has an average of 2.3433 and a data distribution level of 13.2204. The highest return on investment value in the sample companies is 103.5727, while the lowest value is -58.5556.

Earning Per Share
The Earning Per Share variable has an average of 53.9687 and a data distribution level of 298.3339. The highest earning per share value in the sample companies is 2818, while the lowest value is -1364.

Dividend Payout Ratio
The Dividend Payout Ratio variable has an average of 0.1271 and a data distribution level of 1.7552. The highest dividend payout ratio value in the sample companies is 14.0085, while the lowest value is -20.0895.

Stock Return
The Stock Return variable has an average value of 0.0053 and a data distribution level of 0.4467. The highest stock return value in the sample companies is 3.0741, while the lowest value is -0.8810.

Normality Test
P.P. Plot

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: RS
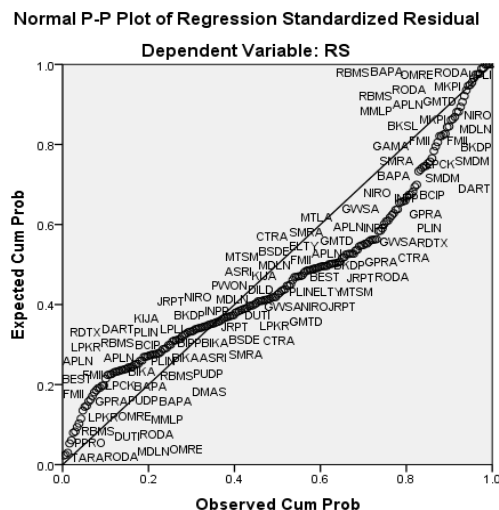
Source: SPSS Processed Data (2022)
Probability Plot

Based on Figure 2, it can be seen that the data distribution is spread far from the diagonal line and does not follow the diagonal line. So, it can be concluded that the data is distributed abnormally and the regression model in this study does not meet the assumption of normality.

Kolmogorov-Smirnov Test

Table 3. One-Sample Kolmogorov-Smirnov Test

		RS
N		225
Normal Parameters[a,b]	Mean	.005296
	Std. Deviation	.4467182
Most Extreme Differences	Absolute	.157
	Positive	.157
	Negative	-.108
Kolmogorov-Smirnov Z		.157
Asymp. Sig. (2-tailed)		.000[c]

a. Test distribution is Normal.
b. Calculated from data
Source: SPSS Processed Data (2022)

Based on table 3, it is known that the Asymp Sig. obtained is 0.000. The Asymp Sig value (0.000) <0.05 so it can be concluded that the data is distributed abnormally and the regression model in this study does not meet the assumption of normality. Due to the abnormal data test, the test tool is replaced using SmartPLS.

Multicollinearity Test

Table 4. Multicollinearity Test Results

No.	Variable	VIF	Description
1	*Current Ratio*	1,000	No Multicollinearity
2	*Debt to Equity Ratio*	1,000	No Multicollinearity
3	*Return On Investment*	1,000	No Multicollinearity
4	*Earning Per Share*	1,000	No Multicollinearity
5	*Dividend Payout Ratio*	1,000	No Multicollinearity

Source: SmartPLS Processed Data (2022)

Based on table 4, it can be assessed that the VIF value of each existing variable is smaller than 10. So, it can be said that the existing independent variables, namely *Current Ratio, Debt to Equity Ratio, Return On Investment, Earning Per Share, and Dividend Payout Ratio are* free from the influence of multicollinearity.

Test Coefficient of Determination $(R)^2$

Table 5. Results of the Coefficient of Determination $(R)^2$

No.	Variable	R *Square*	*Adjusted* R Square
1	Stock *Return*	0,023	0,001

Source: SmartPLS Processed Data (2022)

Based on table 5, it can be seen that the value of *Adjusted R Square* (coefficient of determination) is 0.001. This means that the independent variables consisting of *current ratio, debt to equity ratio, return on investment, earnings per share,* and *dividend payout ratio* can only have an effect of 0.001 or equal to 0.1% on Stock *Returns*, while the remaining 99.9% is influenced by other variables not examined in this study.

Multiple Linear Regression Analysis
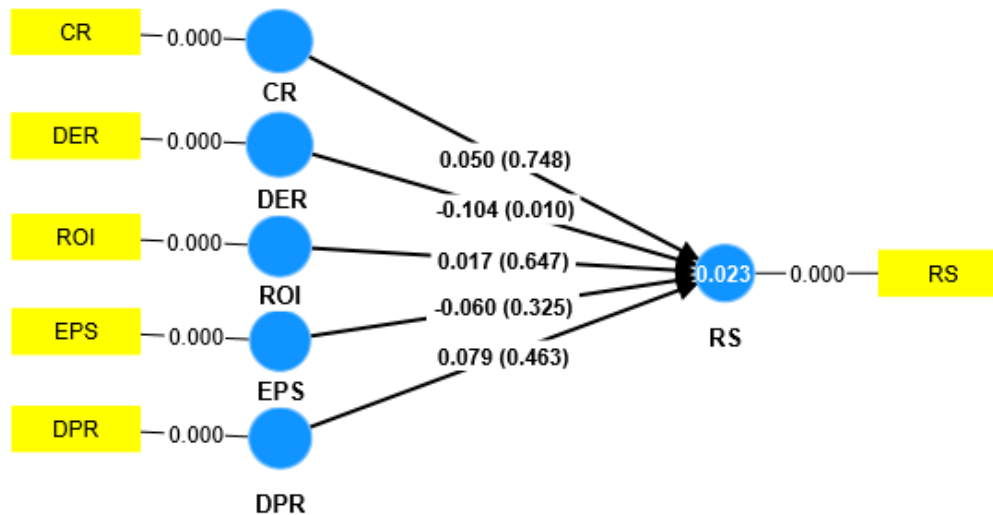
Source: SmartPLS Processed Data (2022)

Figure 3. SmartPLS *Output*

Table 6. Multiple Linear Regression Analysis Results

Variables	Original Sample (O)
Current Ratio -> Stock *Return*	0,050
Debt to Equity Ratio -> Stock *Return*	-0,104
Return On Investment -> Stock *Return*	0,017
Earning Per Share -> Stock *Return*	-0,060
Dividend Payout Ratio -> Stock *Return*	0,079

Source: SmartPLS Processed Data (2022)

From the table, a regression equation can be formulated to determine the effect of *current ratio, debt to equity ratio, return on investment, earnings per share, and dividend payout ratio* on stock *returns* as follows:

$$Y = 0.050 \, X_1 - 0.104 \, X_2 + 0.017 \, X_3 - 0.060 \, X_4 + 0.079 X_5$$

Current Ratio
The current ratio (X_1) regression coefficient is 0.050, which means that if the current ratio increases by 1 unit, the stock return coefficient (Y) increases by 0.050 with the assumption that the value of the other independent variables is constant (0). The coefficient is positive, meaning that there is a positive relationship between stock returns and current ratio.

Debt to Equity Ratio
The debt to equity ratio (X_2) regression coefficient is -0.104, which means that if the debt to equity ratio increases by 1 unit, the stock return coefficient (Y) decreases by -0.104 assuming the value of the other independent variables is constant (0). The negative coefficient means that there is a negative relationship between stock returns and the debt to equity ratio.

Return On Investment
The regression coefficient of return on investment (X_3) is 0.017, which means that if the return on investment increases by 1 unit, the stock return coefficient (Y) increases by 0.017 with the assumption that the value of the other independent variables is constant (0). The coefficient is positive, meaning that there is a positive relationship between stock returns and return on investment.

Earning Per Share
The earning per share (X_4) regression coefficient is -0.060, which means that if earning per share increases by 1 unit, the stock return coefficient (Y) decreases by -0.060 assuming the value of the other independent variables is constant (0). The negative coefficient means that there is a negative relationship between stock returns and earning per share.

Factor That Affect Stock Returns of Property and Real Estate Sector on IDX in 2017-2021 (Vince Mayvelline, Agus Hocky, Meliani Widy, Harry P Panjaitan, and Fitri Yani)

Dividend Payout Ratio

The dividend payout ratio (X_5) regression coefficient is 0.079, which means that if the dividend payout ratio increases by 1 unit, the stock return coefficient (Y) increases by 0.079, assuming the value of the other independent variables is constant (0). The coefficient is positive, meaning that there is a positive relationship between stock returns and the dividend payout ratio.

Hypothesis Test (t Test)

Table 7. Results of the t-test

Variable	Tcount	Ttabel	Significance	Description
CR -> RS	0,322	1,652	0,748	No Effect
DER -> RS	2,571	1,652	0,010	Influential
ROI -> RS	0,458	1,652	0,647	No Effect
EPS -> RS	0,985	1,652	0,325	No Effect
DPR -> RS	0,734	1,652	0,463	No Effect

Source: SmartPLS Processed Data (2022)

Effect of Current Ratio on Stock Return

The test results show that the $_{tcount}$ value for the current ratio variable 0.322 is smaller than t_{tabel} 1.6518 with a significant value of 0.748 greater than alpha 0.05. From these data it can be concluded that Ho is accepted Ha is rejected. This means that the current ratio has no significant effect on stock returns.

Effect of Debt to Equity Ratio on Stock Return

The test results show that the $_{tcount}$ value for the debt to equity ratio variable 2.571 is greater than t_{tabel} 1.6518 with a significant value of 0.010 less than alpha 0.05. From this data it can be concluded that Ho is rejected Ha is accepted. This means that the debt to equity ratio has a significant negative effect on stock returns.

The Effect of Return On Investment on Stock Returns

The test results show that the $_{tcount}$ value for the return on investment variable 0.458 is smaller than t_{tabel} 1.6518 with a significant value of 0.647 greater than alpha 0.05. From this data it can be concluded that Ho is accepted Ha is rejected. This means that return on investment has no significant effect on stock returns.

The Effect of Earning Per Share on Stock Returns

The test results show that the $_{t-count}$ value for the earning per share variable 0.985 is smaller than t_{tabel} 1.6518 with a significant value of 0.325 greater than alpha 0.05. From these data it can be concluded that Ho is accepted Ha is rejected. This means that earning per share has no significant effect on stock returns.

Effect of Dividend Payout Ratio on Stock Return

The test results show that the $_{t-count}$ value for the dividend payout ratio variable is 0.734 smaller than t_{tabel} 1.6518 with a significant value of 0.463 greater than alpha 0.05. From these data it can be concluded that Ho is accepted Ha is rejected. This means that the dividend payout ratio has no significant effect on stock returns.

DISCUSSION

Effect of Current Ratio on Stock Return

The results showed that the current ratio variable did not have a significant effect on stock returns. This can be seen from the t-count value which is smaller than the t-value$_{tabel}$ (0.322 < 1.6518) and supported by the significant result (0.748) which is greater than α (0.05).

A high company current ratio cannot be used as a benchmark for investors to invest their capital because a high current ratio indicates a high amount of current assets. The high current ratio value can be caused by uncollectible accounts receivable which causes existing funds to not be used to pay current debt. The results of this study are in accordance with research conducted by Anthonio (2017) which shows that the current ratio variable has no effect on stock returns. In contrast to research conducted by Latifah & Pratiwi (2019), Abdurrohman et al. (2021), Siahaan et al. (2021) and R. Juwita Effendy & Razmjoo (2022) which states that the current ratio (CR) variable has a positive effect on stock returns and according to Anderson et al. (2021) which states that the current ratio variable has a significant negative effect on stock returns.

Effect of Debt to Equity Ratio on Stock Return

The results showed that the debt to equity ratio variable had a significant negative effect on stock returns. This can be seen from the tcount value greater than the t value$_{tabel}$ (2.571> 1.6518) and supported by the significant result (0.010) which is smaller than α (0.05).

A high debt to equity ratio indicates that the composition of debt is greater than the total equity capital and the company's risk will be higher which can reduce investors' interest in investing in companies that have a high DER and will have a negative impact on company performance because if the DER is higher, the company's interest expense will be greater and will reduce profits, so that if the debt to equity ratio is high, it will have an impact on the decline in stock prices which will result in a decrease in stock returns. The results of this study are in accordance with research conducted by Latifah & Pratiwi (2019), Abdurrohman et al. (2021), Arramdhani & Cahyono (2020), Siahaan et al. (2021) and Anderson et al. (2021) which states that the debt to equity ratio (DER) variable has a negative effect on stock returns. In contrast to research according to research Pandaya et al. (2020), Purwitasari et al. (2021), Nurhikmawaty et al. (2020), R. Juwita Effendy & Razmjoo (2022) and Kusumawardhani & Sapari (2021) the debt to equity ratio variable has no effect on stock returns.

The Effect of Return On Investment on Stock Returns

The results showed that the return on investment variable did not have a significant effect on stock returns. $_{tabel}$ This can be seen from the t-count value which is smaller than the t-value (0.458 < 1.6518) and supported by the significant result (0.647) which is greater than α (0.05).

Return on investment aims to determine whether the company has utilized its assets efficiently in the company's operational activities. From the findings above, it is found that return on investment has no effect on stock returns, which means that in influencing the value of stock returns, return on investment is not the main concern of investors. If the return on investment is higher, the better the condition of a company, but it will not directly affect returns for investors The results of this study are in accordance with research conducted by Oktavianti (2018). Oktavianti (2018) and Wayan & Anom (2020) which states that the variable return on investment (ROI) has no effect on stock returns. In contrast to the research conducted by Anthonio (2017), Rachdian & Achadiyah (2019) and Siahaan et al. (2021) which states that the return on investment variable has a positive effect on stock returns.

The Effect of Earning Per Share on Stock Returns

The results showed that the earning per share variable did not have a significant effect on stock returns. This can be seen from the t-count value which is smaller than the t-value$_{tabel}$ (0.985 < 1.6518) and supported by the significant result (0.325) which is greater than α (0.05).

This shows that if the earning per share value is high, it does not always show good performance in the company. A high earning per share value cannot also be a guarantee for investors to invest their shares in the company. The results of this study are in accordance with research conducted by Anthonio (2017), Oktavianti (2018), Wayan & Anom (2020) and Kusumawardhani & Sapari (2021) which shows that the earning per share variable has no effect on stock returns. In contrast to the research conducted by Pandaya et al. (2020) and Purwitasari et al. (2021) which shows that the earning per share variable has a negative and positive effect on stock returns, respectively.

Effect of Dividend Payout Ratio on Stock Return

The results showed that the dividend payout ratio variable had no significant effect on stock returns. This can be seen from the t-count value which is smaller than the t-value$_{tabel}$ (0.734 < 1.6518) and supported by the significant result (0.463) which is greater than α (0.05).

Dividend payout ratio is useful to show how much profit will be paid to shareholders. The increase or decrease in stock returns is not affected by the increase or decrease in the dividend payout ratio because the value of the company is seen from the amount of risk of a company and its net income. Investors also prefer a low dividend payout ratio value. This shows that dividend policy does not affect shareholder wealth as reflected in stock returns. The results of this study are in accordance with research conducted by Kusumawardhani & Sapari (2021) which shows that the dividend payout ratio (DPR) variable has no effect on stock returns. In contrast to the research conducted by Pandaya et al. (2020), Arramdhani & Cahyono (2020) and R. Juwita Effendy & Razmjoo (2022) which shows that the dividend payout ratio variable has a negative effect on stock returns.

CONCLUSION

Based on the hypothesis testing that has been carried out, the research results that can be concluded are as follows: (1) The current ratio variable has no effect on stock returns in property and real estate sector companies listed on the IDX in 2017-2021, (2) The debt to equity ratio variable has a significant negative effect on stock returns in property and real estate sector companies listed on the IDX in 2017-2021, (3) The return on investment

variable has no effect on stock returns in property and real estate sector companies listed on the IDX in 2017-2021, (4) The earning per share variable has no effect on stock returns in property and real estate sector companies listed on the IDX in 2017-2021, (5) The dividend payout ratio variable has no effect on stock returns in property and real estate sector companies listed on the IDX in 2017-2021.

This research has been attempted and carried out according to scientific procedures, but still has limitations, namely: (1) The factors that affect stock returns in this study consist of only five variables, namely current ratio, debt to equity ratio, return on investment, earnings per share and dividend payout ratio, while there are many other factors that can affect stock returns, (2) This research is only limited to property and real estate sector companies on the IDX so that the results obtained cannot be generalized to other companies on the IDX, (3) The limitation of the observation period in this study which was only conducted for 5 years from 2017-2021.

Based on the research that has been done, several suggestions will be put forward which are expected to be useful in further research, including: (1) For companies, the results of this study can be used as material for consideration for companies to further improve company performance so that investors' views on the company remain good, (2) For investors, the results of this study can be used as material for consideration for investors in deciding to invest in the company, (3) For academics, the results of this study can be used as a consideration for future researchers so that they can add variables that affect stock returns, and stock return variables can be replaced with other financial ratios.

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