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The Effect of Green Building, Ownership, Size, and Leverage on Firm Value Through Profitability and Incentive Tax Policy as Moderation in Property Sector Companies Listed on the Indonesia Stock Exchange

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Abstract

This study examined the effect of green building certification, ownership structure, firm size, and leverage on firm value through profitability, and evaluated the moderating role of the government-borne value added tax incentive in property sector companies listed on the Indonesia Stock Exchange during 2021–2024. The research used a quantitative causal explanatory design with 38 firms selected by purposive sampling. Secondary data from audited financial, annual, and sustainability reports were analyzed using Structural Equation Modeling with the Partial Least Squares approach and SmartPLS 4.0, with bootstrapping to test significance. The results showed that green building certification, ownership structure, and leverage had a negative and significant effect on profitability, while firm size had a positive and significant effect on profitability. Green building certification and ownership structure did not significantly affect firm value, whereas firm size had a negative and significant effect and leverage and profitability had a positive and significant effect on firm value. Profitability negatively mediated the effects of green building certification, ownership structure, and leverage on firm value and positively mediated the effect of firm size, while the value added tax incentive did not significantly moderate the relationship between profitability and firm value.

Keywords: *Green Building Certification, Ownership Structure, Firm Size, Leverage, Profitability, Firm value.*

INTRODUCTION

The development of the property sector in Indonesia in the last decade has shown significant dynamics. This can be seen from the increase in the number of companies in the property and real estate sector, which has increased by 95% from 2016 to 2025. Based on data from the Indonesia Stock Exchange (IDX), there are currently 92 companies listed on the market. This growth reflects the high contribution of this sector to national economic development, especially in providing residential, office, and commercial facilities. Not only that, the increase in the number of properties has also encouraged competition among property investors in Indonesia. With so many property projects, developers must compete in terms of price, facilities, and product uniqueness in order to attract buyers or investors (Riandini & Munandar, 2024)

Company value is a major concern for investors because it reflects performance and future prospects. High company value indicates good performance and positive investor perception of the company's growth and sustainability (Ramadhan & Hendayana, 2025), (Mulyadi & Dinda Mulyadi, 2022). Profitability is also an important indicator because the higher the profitability, the higher the company value (Iriyanti et al., 2022). Many studies have proven that profitability has a positive and significant effect on company value (Ayu et al., 2020); (Hartomo & Sukoco, 2024); (Agistia & Santoso, 2025)including ROA, which also strengthens company value (Hwihanus & Ratnawati, 2018)

In addition, company size has been proven to have a significant positive effect on company value because large companies are considered safer and have long-term prospects (Oktaviana et al., 2024) Other studies have also found that profitability, leverage, and company size have a significant effect on company value (Oktavia Riady & I Gusti Agung Musa Budidarma, 2024). al ownership structure, particularly managerial ownership, also increases company value through alignment of interests and improved internal control (Suseno et al., 2024) However, some studies show different results, such as (Putranto & Martini, 2025) who found that profitability and company size do not affect company value.

In the property sector, a new factor has emerged, namely environmental sustainability. Green features have been proven to increase property market value through higher selling prices, rents, and operational cost efficiency (Hindagoda W.M.T.D et al., 2022); (Singh et al., 2019). In South Korea, green building certification also increases property value (Kim et al., 2020). However, there is a research gap because some studies show that not all aspects of green buildings increase property value (Rahmawati et al., 2015) and even too many green buildings can decrease property value due to the saturation effect (Baeroom et al., 2025)

The property sector has been severely affected by the Covid-19 pandemic since 2020, prompting the government to launch the National Economic Recovery (PEN) program, including PPN DTP incentives that will continue until 2025 through various PMKs. This policy has proven effective in increasing the profitability of the property sector, as seen in the increase in ROA from 2020 to 2021 (Aji & Haptari, 2022) However, VAT exemption also poses risks because input tax cannot be credited, potentially increasing the price of goods, especially in monopoly/oligopoly markets (Wijaya & Arsini, 2021).

The novelty of this study lies in combining the concepts of green buildings and company value with profitability as a mediating variable, as well as including the DTP VAT incentive as a moderating variable an approach that is still rarely used in property studies in Indonesia. The study focuses on property companies listed on the IDX for the period 2021–2024, when the PPN DTP incentive is in effect. The results are expected to provide empirical contributions regarding green property development strategies to increase company value, taking into account profitability and government policy support:

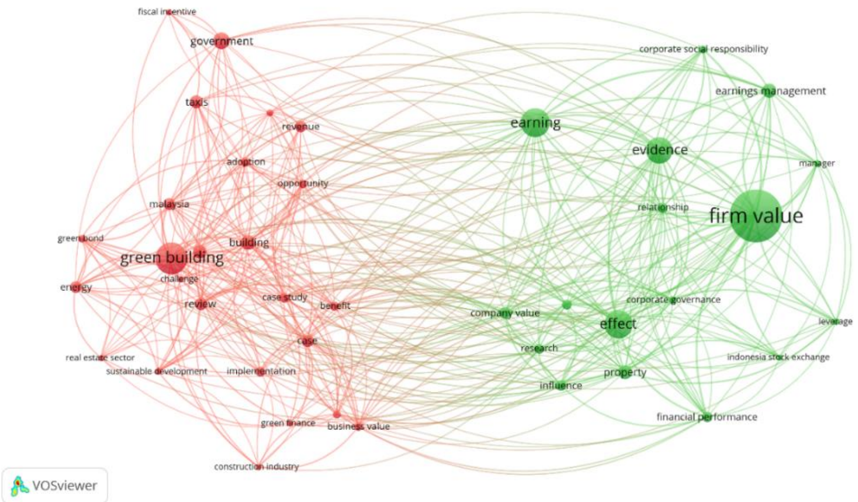

Figure 1. Network Visualization

Based on the Vos Viewer results, the research is divided into two main focuses, namely the Red Cluster (Policy) containing keywords such as green building, policy, government, sustainable development, fiscal incentive, and energy. The main focus is on policy, regulation, and sustainability aspects. The Green Cluster (Finance) contains keywords such as firm value, performance, earnings, financial performance, leverage, and corporate social responsibility. The focus is on the impact of green policies/development on company performance and value. Green development policies (red cluster) and the financial impact on companies (green cluster). The two are interconnected in the study of how green building policies affect firm value.

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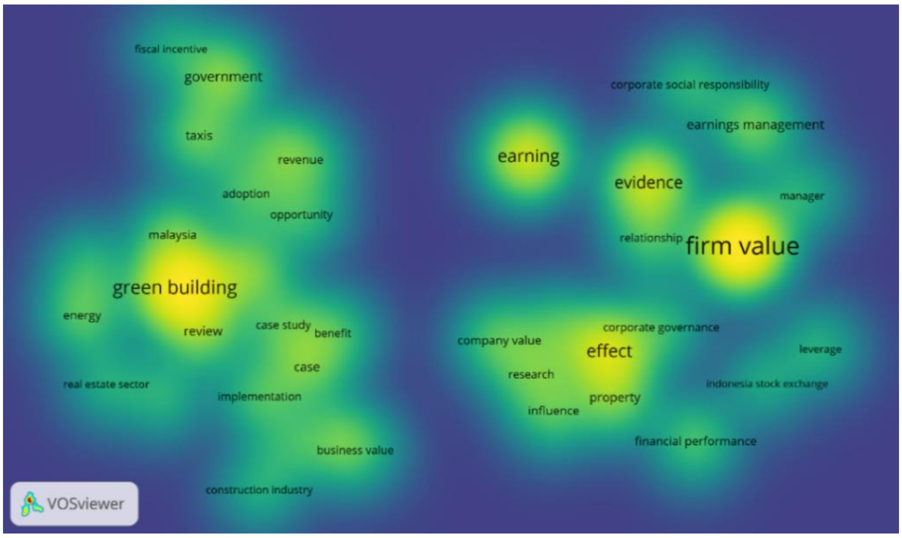

Figure 2. Density Visualization

This image displays a density map showing the areas where research keywords appear most frequently. This density map visually reinforces the findings from the cluster map, highlighting "policy" and "firm value" as the two core areas of this research corpus. This shows that studies focusing on the impact of policy and company value are very dominant. The research is divided into two focuses, one oriented towards policy and sustainability and the other oriented towards company performance and value. This analysis is very useful for researchers to identify research gaps, understand current trends, and determine relevant topics for future studies.

The novelty of this research lies in the integration of the concept of green building with corporate value through profitability as a mediating variable, which is still rarely studied, especially in the property sector in Indonesia. In addition, this study presents a new perspective by including the PPN-DTP incentive policy as a moderating variable, whereas previous studies generally only reviewed tax incentives from the perspective of fiscal policy or consumer purchasing power. This study focuses on property companies listed on the Indonesia Stock Exchange (IDX) during the period 2021-2024. This period was chosen to cover the conditions under which the PPN-DTP incentive policy was implemented. Thus, this study is expected to provide empirical contributions regarding green property development strategies in increasing company value, taking into account the role of profitability and government incentive policies.

RESEARCH METHODS

This study was conducted using a quantitative approach and causal explanatory research design. The population focused on was property and real estate companies listed on the Indonesia Stock Exchange (IDX) during the period 2021 to 2024. The sampling technique used was purposive sampling based on certain criteria, such as the availability of complete (audited) financial reports, annual reports, sustainability reports, and residential sales. Based on these criteria, a sample of 38 companies was obtained. The data used in this study was secondary data obtained from audited financial reports and annual reports published by each company. The analysis and hypothesis testing techniques applied were Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) method using SmartPLS 4.0 software. The estimation process was carried out through a bootstrapping procedure to obtain t-statistic and p-value values. The relationship between variables is considered significant if the t-statistic value is 1.96 and the p-value is 0.05.

Table 1 . Variable and Indicator

Variabel	Indikator Pengukuran
Green Building Certification (X1)	Green Building Certification
Ownership Structure (X2)	X2.1 Managerial Ownership X2.2 Institutional Ownership X2.3 Public Ownership

Variabel	Indikator Pengukuran
Company Size (X3)	X3.1 Total Assets X3.2 Total Sales X3.3 Total Employees
Leverage (X4)	X4.1. Debt to Equity Ratio (DER) X4.2. Debt to Assets Ratio (DAR)
Insentive Tax (PPN-DTP) (M)	M1. Rasio Tax Residential Sales
Profitability (Z)	Z1.1. Return on Assets (ROA) Z1.2. Return on Equity (ROE)
Firm Value (Y)	Y1.1.Tobin's Q Y1.2.PER Y1.3.PBV

Source: Data processed by researcher, 2025

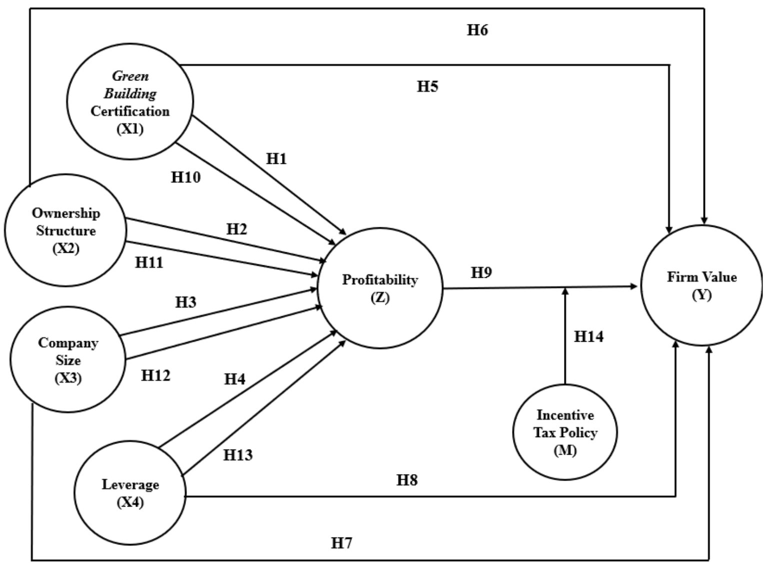

Figure 3. Conseptual Framework

The conceptual framework in Figure 3 illustrates the relationships among the variables used in this study, where Green Building Certification, Ownership Structure, Company Size, and Leverage function as independent variables influencing Profitability as an intervening variable. Furthermore, Profitability together with the moderating variable, Incentive Tax Policy, affects Firm Value as the dependent variable. The directional paths represented by hypotheses H1–H14 describe how internal company factors and tax incentive policies contribute directly or indirectly to enhancing firm value. Thus, this model provides a comprehensive overview of the mechanisms linking each variable within the scope of the research.

RESULT AND DISCUSSION

Results should include the rationale or design of the experiment as well as the results of the experiment. Results can be presented in the form of images, tables, and text. Research findings must be supported by adequate data. This section must answer the research hypothesis.

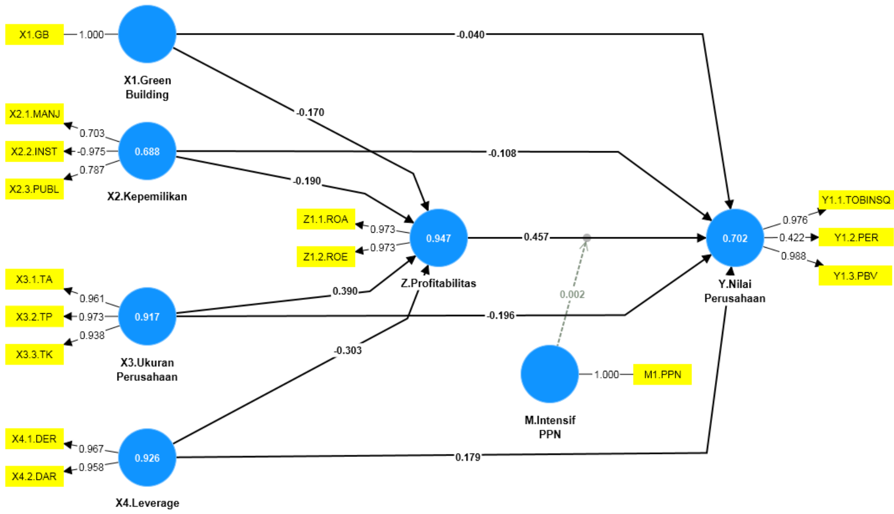

Figure 4. Initial Outer Loading

In the table above, there are outer loading values below 0.50, namely in indicators X2.2.INST (-0.975) and Y1.2 PER (0.422). It can be concluded that these indicators do not meet the convergent validity criteria and therefore cannot be used for further analysis. Indicators with values below 0.50 indicate that they are not strong enough in reflecting the measured construct, so they need to be removed or replaced for further analysis.

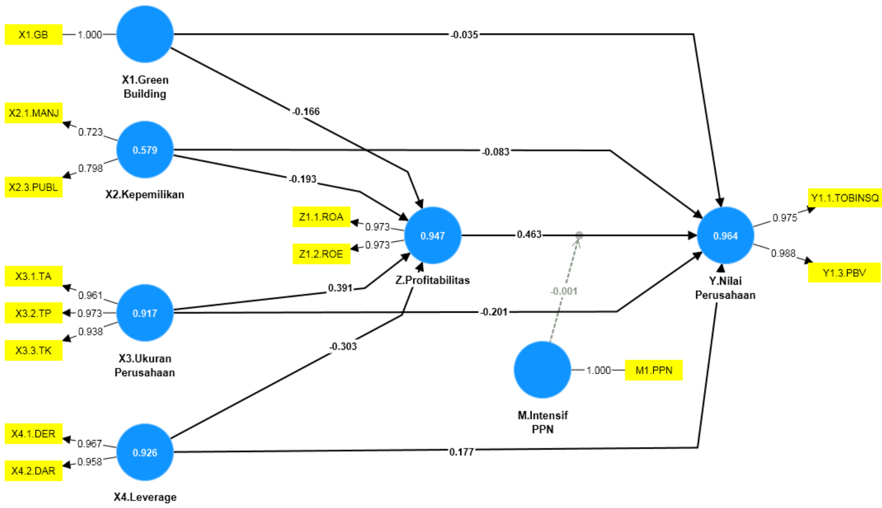

Figure 5. Outer Loading Modification

Based on the table showing the results of stage 2 outer loadings, it can be concluded that all indicators have excellent outer loading values because they meet the requirement of above 0.50. This shows that these indicators are very valid in describing the indicators measured in this study. Overall, it can be concluded that all variables analyzed have met good convergent validity, and therefore, these indicators can be used for further analysis in this study. These two values indicate adequate convergent validity and allow for composite reliability and AVE testing. Overall, this measurement structure shows high indicator consistency, but is still limited in terms of empirical evaluation. Therefore, strengthening the model by adding indicators and testing construct validity is highly recommended to improve the accuracy and generalization of the research results.

Coefficient of Determination Test (R-Square)

R-Square This number indicates the proportion of diversity (variation) in the data on that variable that can be explained by the causal variables in the model. The R^2 value ranges from 0 to 1. The closer it is to 1, the better the model is at explaining the endogenous variable (high explanatory power). The closer it is to 0, the less the variables in the model are able to explain the variation in the endogenous variable (low explanatory power).

Table 2. Results of the R-Square Test Evaluation

Construct	R-Square	Adjusted R-Square
Y Company Value	0.200	0.161
Z Profitability	0.269	0.249

Source: Processed Data from Smart PLS Software, 2025

The R-square value for Company Value (Y) is 0.200 (adjusted 0.161), which means that only 20% of the variance can be explained by the independent variables in the model, while 80% is influenced by other factors outside the model. This indicates that the explanatory power of the model is still limited. For Profitability (Z), the R-square of 0.269 (adjusted 0.249) shows that approximately 26.9% of the variance in Profitability is explained by the constructs in the model. Although better than Company Value, its explanatory power remains in the weak-to-moderate category, meaning that external factors outside the model still play a major role in determining company profitability.

Model Fit Test

Model fit analysis uses standardized root mean square residual (SRMR). SRMR is the average of all differences between the tested data and the model that are indirectly coherent. The SRMR value accepted as model fit is SRMR < 0.08 (good fit), 0.08 < SRMR < 0.12 (marginal fit), and SRMR > 0.12 (poor fit). The SRMR value in this study was 0.110, which falls into the marginal fit category, meaning that the model is still within acceptable limits.

Table 3. Model Fit Evaluation Results

	Saturated model	Estimated model
SRMR	0.079	0.081
d_ULS	0.569	0.600
d_G	0.397	0.396
Chi-square	397.081	394.621
NFI	0.744	0.745

Source: Data processed using Smart PLS software, 2025

Hypothesis Testing

In hypothesis testing, the value analyzed is the value found in the t-statistic generated from the PLS output by comparing it with the t-table value. The PLS output is an estimate of the latent variable, which is a linear aggregate of indicators. The testing criteria with a significance level (α) of 5% are determined; If the calculated t-value is greater than the table t-value, then the hypothesis is accepted. If t-calculated < t table, then the hypothesis is rejected.

Hypothesis testing with PLS is carried out in two stages, namely calculating the direct effect of independent variables on dependent variables, and calculating the indirect effect of independent variables on dependent variables with intervening variables. The PLS Bootstrapping output for testing the research hypothesis is as follows:

Table 4. Hypothesis Test Results

No	**Relationship Path**	**Original Sample (O)**	**T Statistics**	**P Values**	**Description**
1	Green Building → Profitability	-0.166	2.737	0.006	**Significant**

2	Ownership Structure → Profitability	-0.193	3.397	0.001	**Significant**
3	Company Size → Profitability	0.391	5.727	0.000	**Significant**
4	Leverage → Profitability	-0.303	3.326	0.001	**Significant**
5	Green Building → Company Value	-0.035	0.759	0.448	Not Significant
6	Ownership Structure → Company Value	-0.083	0.887	0.375	Not Significant
7	Company Size → Company Value	-0.201	2.522	0.012	**Significant**
8	Leverage → Company Value	0.177	2.256	0.024	**Significant**
9	Profitability → Company Value	0.463	4.293	0.000	**Significant**
10	Green Building → Profitability → Company Value	-0.077	2,061	0.039	**Significant**
11	Ownership Structure → Profitability → Company Value	-0.089	2.893	0.004	**Significant**
12	Company Size → Profitability → Company Value	0.181	3.052	0.002	**Significant**
13	Leverage → Profitability → Firm Value	-0.140	2.579	0.01	**Significant**
14	M1.VAT Incentive × Profitability → Company Value	-0.001	0.01	0.992	Not Significant

Source: Data processed using Smart PLS software, 2025

Green Building Certification has a significant effect on the profitability of property sector companies listed on the Indonesia Stock Exchange

Hypothesis 1 produced a P-value of 0.006 with a T-statistic of 2.737 (T-statistic > 1.96), indicating that the effect of Green Building on Profitability is significant ($p < 0.05$). Thus, hypothesis 1 is accepted, meaning that green building has a significant negative effect on profitability. This study supports Corporate Finance Theory, which states that every investment decision, including investments in sustainability initiatives, must consider the balance between costs and financial benefits generated, and that an increase in costs without a corresponding increase in revenue will result in a decline in profitability. In line with Signaling Theory, green building certification can essentially be viewed as a signal sent by companies to the market regarding their commitment to sustainability practices and environmental responsibility. However, the results of this study indicate that this signal has not been fully appreciated by investors and other stakeholders in the form of improved financial performance. The results of this study support the research (Cahyaningsih et al., 2024) which found that green building costs are recorded as expenses that directly reduce net profit. Additional costs such as design, modeling, and the certification process can mean that green buildings do not always generate financial benefits that can cover their extra costs (Matisoff et al., 2016). Other findings (Khan et al., 2022) also show that green product innovation can reduce ROE due to increased investment and environmental costs.

Ownership Structure has a significant effect on Profitability in Property Sector companies listed on the Indonesia Stock Exchange

Hypothesis 2 produced a P Value of 0.001 with a T Statistics of 3.397 (T-Statistics>1.96), indicating that the effect of Ownership Structure on Profitability is significant ($p<0.05$). Thus, hypothesis 2 is accepted, meaning that ownership structure has a significant negative effect on profitability. This study supports Corporate Finance Theory, which states that suboptimal composition and distribution patterns of share ownership can lead to agency conflicts, weaken managerial oversight mechanisms, and hinder decision-making processes oriented toward improving company performance and value. This is in line with Agency Theory, which states that conflicts arise when the interests of owners (principals) and managers (agents) are not fully aligned. An ownership structure that is too concentrated in management, institutions, or large owners can exacerbate these conflicts. Excessive ownership on one side can lead to conflicts of interest, ineffective supervision, and decisions that are not always oriented towards increasing profits. This situation ultimately puts pressure on profitability as the main indicator of company performance. The results of this study support the research (Andriani, 2021)which shows that institutional and managerial ownership does not always increase value or profitability. Concentrated ownership does not automatically reduce agency conflicts, especially when large owners do not encourage management efficiency. Another study (Angelous et al., 2019) also found that the dominance of large shareholders can cause agency conflicts and reduce operational efficiency, thereby decreasing the profitability of companies in emerging markets.

Company size has a significant effect on profitability in property sector companies listed on the Indonesia Stock Exchange

Hypothesis 3 produced a P-value of 0.000 with a T-statistic of 5.727 (T-statistic > 1.96), indicating that the effect of company size on profitability is significant ($p < 0.05$). Thus, hypothesis 3 is accepted, meaning that company size has a significant positive effect on profitability. This study supports Corporate Finance Theory that companies with larger asset scales tend to have better capabilities in utilizing larger business scales so that unit costs become lower, achieving cost efficiencies, and obtaining access to funding with relatively lower capital costs, thereby increasing profitability. This is in line with Signaling Theory, where large company size is a positive signal to investors and creditors regarding the company's ability to generate profits and meet its obligations, making it easier for the company to obtain funding and business opportunities, which ultimately increases profitability. The results of this study reinforce previous research conducted by (Inrawan et al., 2025), which proved that company size (SIZE) has a significant positive effect on profitability in the property and real estate sector. Research conducted by (Azizah & Sudarsi, 2023) and (Luckieta et al., 2021) shows that company size has a significant positive effect on profit management and that company size has a positive and significant effect on profitability (ROA). Large companies with greater assets are able to utilize resources to generate higher profits.

Leverage has a significant effect on profitability in property sector companies listed on the Indonesia Stock Exchange

Hypothesis 4 produced a P Value of 0.001 with a T Statistics of 3.326 (T-Statistics>1.96), indicating that the effect of leverage on profitability is significant ($p<0.05$). Thus, hypothesis 4 is accepted, which means that leverage has a significant negative effect on profitability. This study supports Corporate Finance Theory, which states that a capital structure that relies too heavily on debt will increase a company's financial risk and fixed costs, thereby suppressing profitability and ultimately reducing the value of the company. In Agency Theory, these results are also in line with the view that high debt usage can create conflicts of interest between managers, shareholders, and creditors, for example through pressure to meet debt obligations that cause managers to tend to make short-term or suboptimal decisions, which ultimately have an impact on the decline in the company's efficiency and profitability. This study supports previous research which found that a capital structure that relies too heavily on debt will suppress profitability (Ketut & Wahyuni, 2020) Research conducted by (Wanny et al., 2019) on property companies also found that the Debt to Equity Ratio (DER) has a negative and significant effect on Return on Assets (ROA).

Green Building Certification has a significant effect on Company Value in Property Sector companies listed on the Indonesia Stock Exchange.

Hypothesis 5 produced a P-value of 0.448 with a T-statistic of 0.759 (T-statistic > 1.96), indicating that the effect of green building on company value is not significant (p > 0.05). Thus, hypothesis 5 is rejected, meaning that green building does not have a direct effect on company value. The results of this study support previous studies that the effect of GBC on market value is insignificant and that environmental impacts will only affect company value after the benefits of costs, risks, and income are fully reflected, which requires a longer period of time (Sah et al., 2013) and research by (Rahmawati et al., 2015) concluded that not all aspects of green buildings can increase property value. Similarly, (Baeroom et al., 2025) found that property value may decrease as the number of green-certified buildings in the market increases (saturation effect).

Ownership structure has a significant effect on company value in property sector companies listed on the Indonesia Stock Exchange

Hypothesis 6 produced a P Value of 0.375 with a T Statistics of 0.887 (T-Statistics>1.96), indicating that the effect of Ownership Structure on Company Value is not significant (p>0.05). Thus, hypothesis 6 is rejected, meaning that ownership structure does not directly affect company value. This shows that the composition of ownership, whether by management, institutions, or foreign investors, has not been able to have a real impact on increasing company value. This may be because shareholders are not always actively involved in the supervision and strategic decision-making of the company, thereby limiting the effectiveness of control over management. In addition, the market may consider other factors such as financial performance, growth prospects, and macroeconomic conditions in assessing company value rather than the ownership structure itself. Thus, ownership structure is not a major factor determining company value in the context of this study. The results of this study reinforce and confirm the theories proposed by (Brahmayanti, 2024), (Krisogonus Avio Seleman & Hwihanus Hwihanus, 2024) and which state that ownership structure does not have a significant effect on company value.

Company size has a significant effect on company value in property sector companies listed on the Indonesia Stock Exchange

Hypothesis 7 produced a P Value of 0.012 with a T Statistics of 2.522 (T-Statistics>1.96), indicating that the effect of Company Size on Company Value is significant (p<0.05). Thus, hypothesis 7 is accepted, meaning that company size has a significant negative effect on company value. This study supports Corporate Finance Theory, which states that expansion and asset growth decisions that are not balanced with increased efficiency and profitability can reduce company value, and Signaling Theory, which states that large company size is not always perceived by the market as a positive signal, but can be interpreted as a signal of potential inefficiency and higher risk, which is not rewarded in the form of increased company value. The results of this study are consistent with the findings of (Kalbuana et al., 2021)and Yulianson (2024), which also show that an increase in company size is actually followed by a decrease in company value.

Leverage has a significant effect on Firm Value in Property Sector companies listed on the Indonesia Stock Exchange.

Hypothesis 8 produces a P Value of 0.024 with a T Statistics of 2.256 (T-Statistics>1.96), indicating that the effect of leverage on company value is significant (p<0.05). Thus, hypothesis 8 is accepted, meaning that leverage has a significant positive effect on company value. This study supports Corporate Finance Theory, which states that a capital structure with the right level of leverage can increase company value through tax savings and strengthened managerial discipline. In Stakeholder Theory, these results are also in line with the view that corporate financing decisions, including the use of debt, should ideally provide added value not only to shareholders but also to creditors, employees, and the government through increased business stability, employment opportunities, and greater tax contributions. The results of this study are in line with previous studies by (Ayu et al., 2020), (L. Putu, 2020) and (Fitria Awaliyah et al., 2025)which found that capital structure (DER) has a positive and significant effect on company value (PBV) in the property and real estate sector. It was also found that capital structure has a positive and significant effect on company value. Furthermore, research by (Ramadhan & Hendayana, 2025) supports this finding, stating that capital structure has a significant positive effect on company value.

Profitability has a significant effect on company value in property sector companies listed on the Indonesia Stock Exchange

Hypothesis 9 produced a P Value of 0.000 with a T Statistics of 4.293 (T-Statistics>1.96), indicating that the effect of profitability on company value is significant ($p<0.05$). Thus, hypothesis 9 is accepted, meaning that profitability has a significant positive effect on company value. This study supports Corporate Finance Theory, which states that company value is essentially determined by expectations of future cash flows and the rate of return expected by shareholders; high profitability indicates a company's ability to generate stable and increasing cash flows, thereby driving an increase in company value. In Signaling Theory, a high level of profitability serves as a positive and credible signal regarding the company's prospects and financial health in the eyes of investors, which is then responded to by the market through an increase in stock prices and company value. The research results are consistent with (Ayu et al., 2020), (Agistia & Santoso, 2025) (Fitria Awaliyah et al., 2025) also concluded that profitability has a positive and significant effect on company value, where profitability Similarly (Sondakh et al., 2019) also showed that ROE has a significant and positive effect on PBV.

Profitability mediates the effect of *Green Building Certification* on company value in property sector companies listed on the Indonesia Stock Exchange

Hypothesis 11 produced a P Value of 0.004 with a T Statistics of 2.893 (T-Statistics>1.96), indicating that the effect of Ownership Structure on Company Value through Profitability is significant ($p<0.05$). Thus, hypothesis 11 is accepted, which means that profitability significantly mediates the negative relationship between ownership structure and company value. This study supports Corporate Finance Theory, which states that investment decisions, including those related to green building projects, must be able to generate positive net cash flow and increase profitability. Referring to Agency Theory, there is a conflict of interest between managers and shareholders. Managers have the potential to overinvest in projects that enhance the company's image with the concept of "green," but do not always generate financial added value for shareholders. This study supports the research (Cahyaningsih et al., 2024) and (Tunggadi et al., 2025) that green building policies have not provided clear economic benefits and are perceived as a form of inefficient resource use, as they can suppress profit performance and ultimately reduce company value.

Profitability mediates the effect of Ownership Structure on Company Value in Property Sector companies listed on the Indonesia Stock Exchange

Hypothesis 11 produced a P-value of 0.004 with a T-statistic of 2.893 (T-statistic > 1.96), indicating that the effect of ownership structure on company value through profitability is significant ($p < 0.05$). Thus, hypothesis 11 is accepted, which means that profitability significantly mediates the negative relationship between ownership structure and company value. This study supports Corporate Finance Theory, which states that company value is largely determined by the company's ability to generate future profits and cash flows; when the ownership structure is unable to drive increased profitability, company value tends to decline. In Agency Theory, ownership structure is directly related to the mechanism of supervision of managers and potential conflicts of interest between owners and managers. An ineffective ownership structure can increase agency conflicts, reduce the quality of managerial decisions, weaken profit performance, and ultimately have a negative impact on company value.The results of this study reinforce and confirm the theory proposed by (Agustin & Widiatmoko, 2022) (Sugosha et al., 2020) that the influence of ownership structure on company value with performance (including profitability) as a mediator has a significant effect.

Profitability mediates the influence of Company Size on Company Value in Property Sector companies listed on the Indonesia Stock Exchange

Hypothesis 12 produced a P Value of 0.002 with a T Statistics of 3.352 (T-Statistics>1.96), indicating that the influence of Company Size on Company Value through Profitability is significant (p<0.05). Thus, hypothesis 12 is accepted, meaning that profitability positively and significantly mediates the relationship between company size and company value. The results of this study reinforce and confirm previous studies (Dewi & Abundanti, 2019) and (Atiningsih & Izzaty, 2021) This study explicitly finds that profitability successfully mediates the effect of company size on company value. In line with the study by (Haryadi et al., 2024) , a sectoral study example at the Indonesia Stock Exchange (IDX) reported the mediating role of profitability between company size and company value.

Profitability mediates the effect of leverage on company value in property sector companies listed on the Indonesia Stock Exchange

Hypothesis 13 produced a P-value of 0.010 with a T-statistic of 2.579 (T-statistic > 1.96), indicating that the effect of leverage on firm value through profitability is significant (p < 0.05). Thus, hypothesis 13 is accepted, meaning that profitability significantly mediates the negative relationship between leverage and firm value. This study supports Corporate Finance Theory, which states that a capital structure that relies too heavily on debt will increase costs, interest expenses, and financial risk, so that additional debt no longer creates value but instead reduces profitability and company value. This is in line with Agency Theory, because high leverage can increase conflicts of interest between shareholders, managers, and creditors. The pressure to meet debt obligations can push managers to make suboptimal or overly risky/conservative decisions, which ultimately reduce profit performance and reflect these negative effects on company value. The results of this study reinforce and confirm previous research (Inrawan et al., 2024) panel study (LQ45) found that leverage has a negative effect on profitability, and profitability is important for company value and (Susilowati et al., 2024) leverage can have a negative impact on company value if profitability weakens.

VAT-DTP incentives moderate the effect of profitability on company value in property sector companies listed on the Indonesia Stock Exchange

Hypothesis 14 produced a P Value of 0.992 with a T Statistics of 0.010 (T-Statistics>1.96), indicating that the effect of PPN-DTP incentives as a moderator in the relationship between profitability and company value is not significant (p>0.05). Thus, hypothesis 14 is rejected, which means that the PPN-DTP incentive does not moderate the effect of profitability on company value. The effectiveness of incentives on investment/growth varies across contexts; consumption incentives (such as PPN-DTP) do not automatically increase corporate valuation if they do not change long-term cash flow or capital costs. Investors continue to value sustainable profitability and long-term prospects over short-term incentives (Jenkins et al., 2025).

CONCLUSION

This study examines the effect of green building, ownership structure, company size, and leverage on company value through profitability, and evaluates the role of PPN-DTP incentives as a moderating variable in property sector companies listed on the IDX. The findings reveal that green building certification, ownership structure, and leverage have a negative and significant effect on profitability, while company size has a positive and significant effect. In relation to company value, green building certification and ownership structure show no significant effect, whereas company size has a negative and significant effect, leverage has a positive and significant effect, and profitability has a positive and significant impact on company value. Profitability also negatively mediates the influence of green building, ownership structure, and leverage on company value, and positively mediates the effect of company size. Moreover, the results indicate that green building implementation, suboptimal ownership structure, and high leverage tend to reduce profitability and ultimately decrease company value, while larger companies benefit from economies of scale. However, PPN-DTP incentives do not significantly moderate the relationship between profitability and company value, suggesting that such policies are still perceived as temporary and less influential compared to fundamental factors like profitability, capital structure, and operational efficiency.

Despite these insights, the study is limited by its focus on specific types of companies and a restricted observation period, as well as the use of financial ratios and proxies that may not fully capture the complexity of financial performance, firm value, or green building intensity. The measurement of PPN-DTP incentives is also aggregate in nature, potentially overlooking variations in firm-level implementation. Therefore, future research should broaden the sample and extend the study period, incorporate additional variables such as dividend policy, sales growth, corporate governance quality, ESG/CSR disclosure levels, and macroeconomic indicators, and adopt mixed methods combining quantitative analysis with qualitative approaches such as interviews or case studies to provide deeper insights into managerial motivations, investor responses, and the effectiveness of green building incentives.

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