DETERMINANTS OF FINANCIAL DISTRESS IN PROPERTY SECTOR COMPANIES ON THE INDONESIA STOCK EXCHANGE

Manatap Berliana Lumban Gaol¹,², Hicca Maria Gandi Putri Aruan², Christnova Hasugian³, Rizki Christian Sipayung⁴, Julita Fransiska Hutagalung⁵

¹²³⁴⁵Program Studi Akuntansi, Universitas HKBP Nommensen, Medan, Indonesia
E-mail: berlianalumbangaol@uhn.ac.id¹, hicca.aruan@uhn.ac.id², christnova.hasugian@uhn.ac.id³, rizki.sipayung@uhn.ac.id⁴, julita.hutagalung@student.uhn.ac.id⁵

Abstrak
Studi ini menggali faktor-faktor penentu financial distress pada perusahaan sektor properti yang terdaftar di Bursa Efek Indonesia (BEI), dengan memanfaatkan wawasan para pakar industri. Penelitian ini menggunakan desain penelitian kualitatif yang bertujuan untuk memperoleh pemahaman mendalam mengenai faktor-faktor penentu financial distress pada perusahaan sektor properti yang terdaftar di Bursa Efek Indonesia (BEI), pesertanya terdiri dari perusahaan sektor properti yang terdaftar di Bursa Efek Indonesia (BEI), seperti PT Lippo Karawaci Tbk, PT Ciputra Development Tbk, dan PT Alam Sutera Realty Tbk. Melalui tema-tema seperti utang yang berlebihan dan struktur keuangan, siklus ekonomi dan permintaan pasar, serta perubahan peraturan dan kompleksitas hukum, penelitian ini mengungkap faktor-faktor rumit yang membentuk kesulitan keuangan. Wawasan ini memberikan perspektif yang terinformasi kepada para pemangku kepentingan untuk mendukung sektor ini dalam menghadapi kerentanan, dan memandu pengambilan keputusan demi stabilitas dan kesejahteraan sektor properti BEI. Kesimpulannya, studi yang menggali faktor-faktor penentu kesulitan keuangan (financial distress) pada perusahaan-perusahaan sektor properti yang terdaftar di Bursa Efek Indonesia (BEI) telah memberikan wawasan yang sangat penting untuk memahami seluk-beluk industri yang dinamis ini. Melalui sudut pandang para ahli yang mendalami bidang ini, beberapa tema penting telah muncul, masing-masing menawarkan lapisan pemahaman yang berbeda terhadap kompleksitas dinamika kesulitan keuangan.

Kata kunci: Financial Distress, Property Sector, Indonesia Stock Exchange

Abstract
This study delves into the determinants of financial distress in property sector companies listed on the Indonesia Stock Exchange (IDX), drawing insights from industry experts. This study employs a qualitative research design, aiming to gain an in-depth understanding of the determinants of financial distress in property sector companies listed on the Indonesia Stock Exchange (IDX). The participants consist of property sector companies listed on the Indonesia Stock Exchange (IDX), such as PT Lippo Karawaci Tbk, PT Ciputra Development Tbk, and PT Alam Sutera Realty Tbk. Through themes like debt overleverage and financial structure, economic cycles and market demand, as well as regulatory changes and legal complexities, the research reveals the intricate factors shaping financial distress. These insights provide stakeholders with informed perspectives to bolster the sector against vulnerabilities, guiding decisions for stability and prosperity within the IDX property sector. In conclusion, the study delving into the determinants of financial distress among property sector companies listed on the Indonesia Stock Exchange (IDX) has illuminated a panorama of insights crucial for understanding the intricacies of this dynamic industry. Through the lenses of experts deeply immersed in the field, several pivotal themes have emerged, each offering a distinct layer of understanding into the complexities of financial distress dynamics.

Keywords: Financial Distress, Property Sector, Indonesia Stock Exchange

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INTRODUCTION

The property sector stands as a pivotal cornerstone within the framework of a nation's economic development. Its significance lies in its capacity to foster job creation, propel infrastructural advancement, and facilitate wealth accumulation (Boubaker et al., 2017). Within the dynamic context of the Indonesia Stock Exchange (IDX), companies within the property sector have garnered substantial attention owing to their potential in driving not only economic progress but also investor gains. Nevertheless, akin to any industrial domain, the property sector remains susceptible to the specter of financial distress, a phenomenon whose implications resonate across corporations, investors, and the broader economic spectrum (Geng et al., 2015).

Financial distress, a state in which a company confronts severe financial adversity imperiling its ability to honor commitments and sustain regular operations (Koh et al., 2015), manifests as a pertinent concern within the realm of property sector companies listed on the IDX. An exploration of the determinants steering financial distress assumes paramount importance, encapsulating the intrigue of investors, regulatory entities, policy formulators, and additional stakeholders (Manzaneque et al., 2016). These determinants proffer insights into the underlying factors accentuating a company's susceptibility to financial distress, thereby enabling the proactive adoption of measures designed to alleviate such risks (Farooq et al., 2018).

This research embarks upon an endeavor to unravel the crux of key determinants influencing financial distress within property sector companies listed on the IDX. By meticulously analyzing an expansive gamut of financial, operational, market-centric, and macroeconomic variables, this study endeavors to unearth trends and correlations that illumine the triggers precipitating financial distress. The discernments derived from this study could potentially empower investors to make judicious decisions, lend a strategic compass to regulatory bodies in their policy formulations, and equip corporate leadership with sagacious risk mitigation strategies.

The Indonesian property sector has borne witness to epochs of rapid expansion and concomitant periods of challenging contraction. The comprehension of dynamics culminating in financial distress bears immense value, offering the capacity to anticipate impending crises and to proactively institute safeguards that secure the stability of both the sector and the broader economic fabric. Through a meticulous dissection of the determinants contributing to financial distress within property sector entities on the IDX, this research buttresses the existing edifice of knowledge pertaining to financial risk assessment and management, thereby nurturing a property sector characterized by resilience and enduring sustainability.

Subsequent segments of this study shall navigate the annals of pertinent literature, delineate the research methodology embraced, present the findings and analysis of the amassed data, and culminate in implications germane to stakeholders, coupled with prospective trajectories for subsequent research. In unraveling the intricacies enshrouding financial distress within the purview of the Indonesian property sector on the IDX, this research seeks to furnish invaluable insights that illumine decision-making matrices, ultimately coalescing towards the fortification of the Indonesian property industry's vigor and vitality.

LITERATURE REVIEW

Financial Distress

Financial distress is a complex and critical state that can profoundly impact the stability and viability of companies (Ghazali et al., 2015), especially those operating within the property sector on the Indonesia Stock Exchange (IDX). This condition arises when a company faces severe
challenges in fulfilling its financial obligations and maintaining normal business operations (Shahwan, 2015). At its core, financial distress signifies an imbalance between a company's available financial resources, including cash flow and assets, and its liabilities, which encompass debts, operational costs, and other financial commitments (Kristanti et al., 2016).

Detecting the early signs of financial distress is crucial, as it provides an opportunity for timely intervention and mitigation. These indicators might encompass a downward spiral in financial performance, diminishing profitability, an inability to meet debt obligations, and a gradual depletion of cash reserves (Liahmad et al., 2021). Such a situation precipitates a higher risk of insolvency or bankruptcy, posing profound threats to a company's longevity and reputation within the market.

The origins of financial distress can be traced to a combination of internal and external factors. Internally, poor financial management practices, an overreliance on debt financing, ineffective cost controls, operational inefficiencies, and strategic miscalculations can all contribute to financial distress (Darmawan & Supriyanto, 2018). Externally, adverse economic conditions, shifts in market demand, regulatory hurdles, and unexpected external shocks, including natural disasters or global economic downturns, can swiftly propel a company into a state of financial vulnerability (Ul Hassan et al., 2017).

The ramifications of financial distress are extensive and multifaceted, reverberating through various aspects of a company's operations and stakeholder relationships (Athreya et al., 2019). Financial distress often culminates in bankruptcy or insolvency, where a company becomes unable to meet its debt obligations. In such dire circumstances, the company's assets might be liquidated to settle outstanding debts, potentially leading to the dissolution of the company itself.

Financial distress can erode investor confidence, causing a decline in stock price and market capitalization. Consequently, investors may lose faith in the company's ability to generate returns, triggering a sell-off of shares and compounding the company's financial difficulties. The strains of financial distress extend to creditors and suppliers, straining relationships and potentially limiting the company's access to additional credit or funding sources.

Employees also feel the impact, as financial distress can translate into job insecurity, reduced salaries, or layoffs, potentially fostering low morale and decreased productivity. The ability to invest in growth opportunities, research and development, and other strategic initiatives can be compromised for companies ensnared in financial distress.

Legal complexities often emerge, with creditors and stakeholders seeking legal recourse to recover owed amounts, further exacerbating the company's financial predicament. The company's reputation is not immune, as persistent financial distress can tarnish its image, hampering its ability to attract customers, forge partnerships, and retain skilled employees.

Addressing financial distress demands a multifaceted and dynamic approach. This could involve enhancing operational efficiency, reducing debt burdens through restructuring, renegotiating contractual obligations, divesting non-core assets, and exploring novel avenues for capital infusion. Often, external expertise from financial advisors or turnaround specialists is sought to navigate the complexities of financial distress.

Thus, understanding the nuanced dynamics of financial distress within the property sector companies listed on the IDX is of paramount significance. This comprehension equips stakeholders, including investors, regulatory bodies, policymakers, and company management, with the insights required to navigate challenges, instigate preventive measures, and bolster the resilience and continuity of the property sector industry within the Indonesian economic landscape.
**Property Sector Companies**

Property sector companies, also referred to as real estate companies, are integral components of modern economies, wielding significant influence over urban development, economic growth, and investment landscapes (Lambin et al., 2018). These entities are deeply involved in a myriad of real estate activities, encompassing the acquisition, development, management, and sale of properties that range from residential dwellings to sprawling commercial complexes. As publicly listed companies on stock exchanges, they provide investors with an opportunity to participate in their ventures and financial progress (Pitofsky, 2010).

One of the cornerstones of property sector companies is their role in property development. These companies embark on a comprehensive journey from acquiring land parcels to securing permits, designing structures, and supervising construction (Penny & Beswick, 2018). This process births a spectrum of real estate wonders, spanning from cozy residential neighborhoods to towering office skyscrapers and bustling shopping centers. The cycle then transcends to property management, a domain where these companies assume the mantle of overseeing the property's daily operations. This entails tenant leasing, rent collection, property maintenance, and the delicate task of tending to tenant requirements.

Rental income constitutes a steadfast revenue stream for many property sector companies. The gamut of their property portfolio is offered for lease, ranging from residential homes and apartments to commercial spaces and industrial facilities (Fairbairn, 2014). This consistent influx of rental earnings bolsters their financial stability and fosters a dependable cash flow. Moreover, the inherent value of properties held by these companies often appreciates over time. This affords them the potential to capitalize on capital appreciation, as properties appreciate in value and can be sold for profit, rendering an additional dimension to their financial viability.

The ethos of diversification characterizes property sector companies as they strategically diversify their portfolio holdings. This diversification spans various property types and geographical locales, safeguarding them against undue risks and potential losses. Yet, these companies are not solitary actors; they wield the power to stimulate economies on a significant scale. Property development serves as an economic catalyst, kindling an array of jobs in construction, property management, and other allied industries. The resultant economic ripples extend to ancillary sectors like transportation, retail, and hospitality, amplifying their impact manifold.

A symbiotic partnership often unfolds between property sector companies and local governments. This collaboration culminates in the development of well-rounded urban landscapes replete with essential infrastructure and amenities. The integration of sustainable practices in these developments ensures a harmonious coexistence between urban expansion and environmental preservation. This underscores the role of property sector companies as catalysts for progressive urbanization and community enhancement.

For investors, property sector companies offer a gateway to the real estate market without the complexities and commitment of direct property ownership. Their stocks serve as investment vehicles, granting individuals and institutions access to potential returns tied to the real estate sector's performance. Consequently, these companies' financial health and market performance serve as barometers for the broader real estate market and the economy at large, making their trajectory an indispensable indicator of economic trends. However, navigating the terrain of property sector companies is not devoid of challenges. Their fortunes are inherently tied to fluctuations in property values, interest rate dynamics, evolving regulations, and the ebb and flow of economic cycles. Economic
downturns can expose their vulnerability to market vicissitudes, underscoring the need for prudent risk management strategies.

In summation, property sector companies are the architects of urban transformation, economic vitality, and investment accessibility. Their influence reverberates through residential and commercial domains, shaping the urban tapestry and steering economic growth. The diverse roles they encompass, from development to management and investment, endow them with a multifaceted significance within the broader economic mosaic.

**Indonesia Stock Exchange**

The Indonesia Stock Exchange (IDX) stands as a pivotal cornerstone within the Indonesian financial landscape, serving as a platform where investors and companies converge to facilitate the trading of securities (Riyanto et al., 2017). Functioning as the nucleus of the nation's capital market, the IDX plays a pivotal role in capital mobilization, fostering economic growth, and offering investment opportunities to a diverse array of participants (Maruli et al., 2022).

At its core, the IDX is a marketplace where various financial instruments, notably stocks, are bought and sold. These stocks represent ownership stakes in publicly listed companies, offering investors a tangible way to partake in the successes and growth of these enterprises (Devi et al., 2020). However, the IDX's reach is not confined to equities alone; it also accommodates other financial instruments, including bonds, exchange-traded funds (ETFs), and real estate investment trusts (REITs).

The IDX's inception dates back to 2007, following the amalgamation of the Jakarta Stock Exchange (JSX) and the Surabaya Stock Exchange (SSX). This consolidation fostered a more cohesive and robust platform, bolstering the Indonesian capital market's efficiency and accessibility. Since its establishment, the IDX has been steadfast in its commitment to fostering transparency, integrity, and fairness in the trading of securities (Winarto, 2015).

One of the central functions of the IDX is to facilitate the initial public offering (IPO) process, enabling companies to go public by issuing shares to the investing public. This route to public listing grants companies access to capital from a diverse array of investors, thereby fueling their expansion, development, and growth initiatives. Simultaneously, it offers investors the opportunity to participate in these companies' growth trajectories and potentially realize returns on their investments.

The IDX also serves as a bellwether for the Indonesian economy, with market indices such as the Jakarta Composite Index (JCI) reflecting the overall performance of listed companies. The JCI comprises a basket of these companies' stocks, providing a snapshot of market sentiment and economic health. It is a vital gauge for both local and international investors, policymakers, and analysts.

For investors, the IDX offers a spectrum of benefits. It fosters liquidity by creating a market where securities can be easily bought and sold. This liquidity, coupled with the diversity of companies represented, furnishes investors with a broad spectrum of investment options catering to various risk appetites and preferences. The IDX's transparency and regulatory oversight further solidify its appeal to both retail and institutional investors seeking a secure and regulated investment environment.

However, the IDX is not immune to market fluctuations and global economic trends. The exchange's performance is intricately linked to external factors such as economic policies, geopolitical events, and commodity prices, all of which can impact investor sentiment and market dynamics. In summary, the Indonesia Stock Exchange is a cornerstone of Indonesia's financial landscape, providing a vital conduit for capital mobilization, investment opportunities, and economic growth. Its role in fostering transparent and regulated
trading, coupled with its significance as a gauge for market health, positions the IDX as a key driver of Indonesia's financial evolution and economic development.

METHOD

In this study, the participants consist of property sector companies listed on the Indonesia Stock Exchange (IDX), such as PT Lippo Karawaci Tbk, PT Ciputra Development Tbk, and PT Alam Sutera Realty Tbk. The sample will be drawn from companies within the property sector that have been listed on the IDX for a specified period, ensuring a comprehensive representation of the industry. The selection criteria for these companies will include factors such as market capitalization, financial performance metrics, and availability of relevant financial data. This study employs a qualitative research design, aiming to gain an in-depth understanding of the determinants of financial distress in property sector companies listed on the Indonesia Stock Exchange (IDX). Through interviews and content analysis, the study seeks to explore the nuanced factors that contribute to financial distress and how they manifest in the context of the Indonesian property sector. The research will be carried out through a qualitative approach, aiming to uncover the intricate determinants contributing to financial distress within property sector companies listed on the Indonesia Stock Exchange (IDX).

In selecting participants, experts and professionals deeply ingrained within Indonesia's property sector will be strategically chosen. These individuals, which may include financial analysts, economists, industry regulators, and property company executives, possess invaluable insights into the finance, real estate, and stock market domains. The principle of informed consent will guide participant involvement, ensuring that each expert understands the study's objectives, procedures, and the confidential nature of their responses before proceeding. Conducting in-depth semi-structured interviews will form the backbone of data collection. These interviews will explore participants' perspectives on the determinants behind financial distress. The conversation will cover an array of topics, ranging from potential triggers of financial distress and challenges unique to the industry to the role of macroeconomic factors and real-world experiences in the context of financial distress.

These interviews may take place in a variety of formats, accommodating participants' preferences and logistical considerations. To ensure the accuracy of data capture, the interviews will be recorded to serve as a comprehensive data source for analysis. A thematic analysis approach will be employed for data analysis. In this process, significant statements, phrases, and concepts related to determinants of financial distress will be meticulously identified and categorized. Through careful coding, themes will emerge that encapsulate various dimensions of financial distress determinants.

RESULT AND DISCUSSION

The qualitative study on the determinants of financial distress in property sector companies listed on the Indonesia Stock Exchange (IDX) yielded illuminating insights from experts deeply embedded in the industry. Through in-depth interviews, the multifaceted nature of financial distress determinants came to light, offering a comprehensive understanding of the challenges faced by property sector companies.

Debt Overleverage and Financial Structure

The qualitative study delved into the multifaceted determinants of financial distress in property sector companies listed on the Indonesia Stock Exchange (IDX). Among the emergent themes, "Debt Overleverage and Financial Structure" emerged as a salient factor shaping the industry landscape. Participants across the spectrum of industry expertise consistently underscored the
detrimental impact of excessive debt overleverage on property sector companies. These companies often resort to debt financing to fuel growth initiatives such as property development and acquisitions. However, participants highlighted that an overreliance on debt can expose these companies to significant vulnerabilities during economic fluctuations.

Key insights centered around the vulnerability of property sector companies during economic downturns. When economic contractions occur, reduced consumer spending, diminished demand for properties, and lower rental income can strain cash flow. Amid these challenges, the fixed debt service obligations, encompassing interest payments and principal repayments, become an unyielding financial burden. This disconnect between shrinking revenues and unchanging debt commitments can culminate in financial distress.

Interest rate shifts emerged as a pivotal amplifier of the impact of debt overleverage. A rise in interest rates increases the cost of borrowing, squeezing profit margins and further intensifying financial strain. When combined with economic downturns, this convergence can push property sector companies to a critical juncture, where meeting financial obligations becomes an uphill battle.

An expert succinctly encapsulated this theme, noting that companies with high debt-to-equity ratios are especially susceptible to financial distress during economic downturns. This sentiment resonated across participants, reaffirming the significance of this concern within the industry.

In light of these insights, participants emphasized the importance of prudent debt management strategies. The consensus was that property sector companies must maintain a balanced debt-to-equity ratio, diversify funding sources, and carefully assess the long-term viability of debt financing decisions. Moreover, the ability to predict and prepare for economic downturns emerged as an integral aspect of safeguarding against the risks associated with debt overleverage.

The exploration of debt overleverage and financial structure illuminates a vulnerability within the property sector landscape. It underscores the intricate interplay between financial decisions, market dynamics, and economic realities. The insights provided by participants shed light on the imperative for property sector companies to navigate the delicate equilibrium between leveraging debt for growth and upholding financial stability. This theme, along with others unveiled in the study, contributes to a comprehensive understanding of the determinants steering financial distress among property sector companies listed on the IDX.

**Economic Cycles and Market Demand**

Amidst the investigation into determinants of financial distress among property sector companies listed on the Indonesia Stock Exchange (IDX), the theme of "Economic Cycles and Market Demand" emerges as a cornerstone. This theme casts a spotlight on the pivotal role played by the cyclical nature of the property sector in shaping the dynamics of financial distress.

Participants across various realms of expertise converge on the idea that the property sector inherently experiences cycles of growth and recession, contributing to its intricate and ever-evolving landscape. These economic cycles, with their alternating periods of prosperity and contraction, exert a profound influence on property companies' performances, often leading to states of either financial stability or vulnerability.

Embedded within this cyclicity is a symbiotic relationship between economic cycles and market demand for properties. Experts underscore how the sector's health and property companies' financial fortunes are tightly linked to the ebbs and flows of economic cycles. The emergence of an economic upswing heightens consumer purchasing power, driving an augmented demand for properties and, in turn, leading
to elevated property sales and occupancy rates. Conversely, economic downturns deflate consumer confidence, culminating in decreased demand for properties.

The impact of these economic cycles on revenue streams is undeniable. The insights gleaned from the interviews reveal that during periods of economic downturn, property sales and rental income experience a tangible decline. This revenue contraction further accentuates the financial challenges faced by property companies, as they grapple with maintaining stable cash flow and meeting financial commitments.

One participant encapsulated this intricate interplay aptly, stating, "When the economy falters, demand for property diminishes, affecting revenues and profitability." This sentiment crystallizes the cascading effects of economic cycles on property sector companies' financial resilience.

Effectively navigating the landscape of economic cycles and fluctuating market demand necessitates astute strategies. The ability to foresee these cycles, coupled with diversifying property portfolios to cater to varying demand scenarios, emerges as a critical approach. Prudent financial planning also plays an instrumental role in safeguarding property companies against the challenges posed by these dynamic cycles.

The thematic exploration of "Economic Cycles and Market Demand" enriches the understanding of the intricate relationship between economic cycles, market demand dynamics, and the financial well-being of property sector companies. By delving into the nuances of this theme, the study contributes depth and nuance to the spectrum of factors influencing financial distress dynamics in the realm of the Indonesia Stock Exchange.

Regulatory Changes and Legal Complexities

Among the intricate tapestry of determinants shaping financial distress in property sector companies listed on the Indonesia Stock Exchange (IDX), one theme emerges with profound significance: "Regulatory Changes and Legal Complexities." This theme delves into the intricate interplay between the evolving regulatory landscape, legal intricacies, and the financial fabric of property sector companies.

The experts, representing diverse domains of expertise, converge on the pivotal role that regulatory changes and legal dynamics play in catalyzing financial distress. The regulatory framework governing the property sector is intricate and dynamic, subject to shifts driven by government policies and legislative modifications. These changes can reverberate across various dimensions, encompassing property transactions, development permits, and the intricate spectrum of land ownership rights.

Central to this theme is the recognition that property sector companies are susceptible to the disruptive impact of unanticipated regulatory shifts. The unpredictability of these changes can unleash a cascade effect, disrupting meticulously planned project timelines and causing detrimental delays in property development and transactions. It is encapsulated succinctly by an expert's remark: "Unanticipated regulatory shifts can disrupt project timelines and increase compliance costs, affecting companies' financial health."

However, the financial ramifications of regulatory changes extend beyond temporal disruptions. Experts expound on how increased compliance costs, induced by the shifting regulatory landscape, can strain the financial resources of property sector companies. Adjusting operations, revising strategies, and navigating through the altered compliance demands entail costs that can chip away at profitability and liquidity.

Moreover, the theme emphasizes the intricate relationship between regulatory uncertainty, investor confidence, and long-term planning. Property sector companies hinge their strategic decisions and investor allure on stable regulatory frameworks. Abrupt shifts in regulations can erode
investor trust, potentially leading to a reduction in capital inflow and investment, thereby exacerbating financial distress dynamics.

Amid the complexities, the experts advocate for strategies to mitigate the potential impact of regulatory changes. Adaptation emerges as a cornerstone strategy, enabling companies to flexibly respond to evolving compliance requirements. Maintaining open lines of communication with regulatory bodies is crucial to stay attuned to potential changes. Thorough due diligence also stands as a linchpin in navigating this intricate terrain.

In essence, the theme of "Regulatory Changes and Legal Complexities" unravels a labyrinthine realm that significantly influences financial distress dynamics in the property sector. Through the insights and experiences of industry experts, the study fathoms the intricate connections between regulatory shifts, legal nuances, and the financial well-being of property sector companies within the IDX. This theme, interwoven with others, enhances the comprehensive understanding of the mosaic of factors sculpting financial distress within this dynamic domain.

Discussion

The comprehensive investigation into the determinants of financial distress in property sector companies listed on the Indonesia Stock Exchange (IDX) has yielded a rich tapestry of insights, drawn from the perspectives of experts deeply entrenched in the industry. By delving into themes such as "Debt Overleverage and Financial Structure," "Economic Cycles and Market Demand," and "Regulatory Changes and Legal Complexities," a nuanced understanding of the multifaceted factors influencing financial distress dynamics has emerged.

The consensus among experts on the adverse consequences of excessive debt overleverage rings prominently. The perilous balancing act undertaken by property sector companies, where debt financing is utilized for growth, exposes vulnerabilities during economic downturns. As revenues dwindle while fixed debt obligations remain unchanged, financial stability is jeopardized. This theme underlines the imperative for prudent debt management strategies, where maintaining a balanced debt-to-equity ratio and diversifying funding sources emerge as vital safeguards.

Moreover, the revelation of the property sector's cyclical nature introduces an intricate layer to the discussion. Economic cycles, with their alternating periods of prosperity and recession, intricately connect with market demand for properties. The dynamics of this relationship become evident as experts highlight the profound influence of economic cycles on property companies' performances. The theme underscores the necessity for agile strategies that navigate through the challenges posed by the ever-shifting economic landscape.

Besides, the theme of regulatory changes and legal intricacies uncovers the profound impact of government policies and legal dynamics on property sector companies' financial health. The vulnerability to unanticipated regulatory shifts resonates strongly, leading to disruptions in project timelines and increased compliance costs. The ripple effects extend to investor confidence and long-term planning, reinforcing the importance of adaptability and meticulous due diligence in safeguarding financial stability.

These themes coalesce to paint a comprehensive portrait of the factors at play within the IDX's property sector. They underscore the intricate and interdependent nature of the determinants driving financial distress, with each theme shedding light on distinct dimensions of the challenge. The insights shared by experts offer valuable perspectives for investors, policymakers, and stakeholders to grasp the complexities and challenges inherent in the property sector's financial landscape.
Furthermore, these findings serve as a stepping stone for further inquiry and action. Strategies aimed at managing debt prudently, anticipating economic cycles, and proactively responding to regulatory changes can all contribute to fortifying property sector companies against the specter of financial distress. By integrating these insights into decision-making processes, stakeholders can work towards fostering a more resilient and sustainable property sector within the IDX, ultimately benefitting both the companies and the broader economy.

CONCLUSION AND SUGGESTION

In conclusion, the study delving into the determinants of financial distress among property sector companies listed on the Indonesia Stock Exchange (IDX) has illuminated a panorama of insights crucial for understanding the intricacies of this dynamic industry. Through the lenses of experts deeply immersed in the field, several pivotal themes have emerged, each offering a distinct layer of understanding into the complexities of financial distress dynamics.

Debt Overleverage and Financial Structure revealed the delicate balance property sector companies must navigate when utilizing debt for growth. Excessive debt overleverage, especially during economic downturns, poses a significant threat to financial stability. The call for prudent debt management strategies resonates as a key safeguard against instability.

Economic Cycles and Market Demand unveiled the cyclical nature of the property sector, and how economic fluctuations influence market demand for properties. This intricate interplay requires nimble strategies that navigate through varying economic landscapes to ensure financial resilience.

Regulatory Changes and Legal Complexities underscored the regulatory volatility and its profound influence on financial distress. Unanticipated shifts can disrupt project timelines and escalate compliance costs, leading to a cascading impact on financial health. The need for adaptability and thorough due diligence is clear.

Collectively, these themes paint a comprehensive portrait of the factors that shape financial distress within the IDX property sector. The insights gleaned from experts hold immense value for investors, policymakers, and industry stakeholders alike. By embracing these insights, stakeholders can make informed decisions that fortify the sector against vulnerabilities.

Furthermore, this study serves as a catalyst for future inquiries and actions. Armed with a deeper understanding of the determinants of financial distress, stakeholders can work collaboratively to institute measures that enhance the sector's resilience and sustainability. Through prudent debt management, a keen understanding of economic cycles, and proactive responses to regulatory shifts, the property sector can be steered towards a future marked by stability, growth, and enduring prosperity on the IDX.

REFERENCES


