

ABSTRACT

Capital structure refers to the financial ratio between a company's equity and long-term debt. It represents the proportion of debt to equity. Decisions regarding capital structure are influenced by operational funding strategies, encompassing the use of both debt and equity.

This research aims to investigate the influence of profitability, liquidity, and asset tangibility on the capital structure of property and real estate companies listed on the Indonesia Stock Exchange (IDX) during the period 2017-2023.

The population for this study comprises property and real estate companies listed on the IDX from 2017 to 2023. Purposive sampling was employed as the sampling method, resulting in a total of 294 research samples, consisting of 42 companies observed over 7 years (2017-2023). The regression model utilized is a dynamic panel data regression with the Generalized Method of Moments (GMM) estimator, processed using Eviews 12 software.

The research findings reveal that the variables of profitability, liquidity, and asset tangibility simultaneously have a significant influence on capital structure. Profitability partially has a significant influence on capital structure. However, liquidity and asset tangibility partially do not have a significant influence on capital structure.

For future researchers, it is recommended to use different research objects to broaden the scope of the study, employ alternative methods, and expand the research period and independent variables.

Keywords: *Asset Tangibility, Capital Structure, Generalized Method of Moments (GMM), Liquidity, Profitability*