FACTOR ANALYSIS OF REAL ESTATE INVESTMENT TRUST (REIT) AFFECTING USE FOR PROPERTY FINANCING IN SURABAYA

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ABSTRACT

The construction industrial projects growth has a close connection with the growth of the property industry. A good financial strategy will be the basis for this growth. In the middle of many development and investment in real estate sector in Surabaya, there are negative impacts that arise, namely the rapid increase in the selling price of the property. This is an indication of a bubble price conditions. Generally, by reducing the level of debt investments, these conditions can be slow down. Real Estate Investment Trust (REIT) is a corporation or a business trust that combines the capital of many investors to acquire (or provide financing for) various real estate assets. With the principles and characteristics possessed by the REIT, the problem that occurred in Surabaya should be resolved because REIT is one of the financing strategy that would reduce the level of debt in the construction so that the selling price of the property is not too high.

Currently, a research about REIT in Surabaya has not been found so this research can be classified as exploratory research. This study uses a statistical model of the variable and a quantitative research. In this research, to analysis the perception of respondent will be using a descriptive analysis by comparing the average value and standard deviation and using a factor analysis to identify the relationship between variables which then created a group of factors. And to obtain the respondent's perception will be using a questionnaires.

This research was generated in three groups of factors that may affect the property's financing in Surabaya, namely the gain factor, a factor of managerial decision making by corporate, and the factors of government regulations influence on company policy.

Key word : real estate investment, real estate investment trust, property financing