ANALYSIS OF FACTORS INFLUENCING THE VALUE OF 3 STAR HOTELS IN MEDAN CITY

By
David Koko E. C. O. Naibaho[1*], Sukaria Sinulingga[2], Nazaruddin[3]
[1,2,3] Master in Property Management and Valuation, Universitas Sumatera Utara, Indonesia
Email: [1]davidnaibaho95@gmail.com

Abstract: The purpose of this research is to find out analysis of factors influencing the value of 3 Star Hotels in Medan City. The research that has been put forward, this research is classified as causality research. The population used in this study is 3 Star Hotels in Medan City which has been assessed by the Public Appraisal Service Office. The sample in this study, the number of samples is 30 for 3 Star Hotels in Medan City. The analysis used in this research is multiple linear regression analysis. The results of the study show that room rate, occupancy rate, and number of room have a significant effect on the value of 3 Star Hotels in Medan City. Operational cost have no a significant effect on the value of 3 Star Hotels in Medan City.

INTRODUCTION

The development of the hospitality and tourism business in Indonesia has increased in recent years. This can be seen based on the increasing number of tourist visits in Indonesia. Foreign tourist visits to Indonesia during 2019 reached 11.66 million visits, an increase of 1.88% compared to the number of visits during 2018 which amounted to 15.71 million visits.

The increase in tourist visits to various tourist destinations, especially in Indonesia and internationally in general, is a very potential aspect for the hospitality business and is very important to be developed in order to achieve a more professional tourism. The development of the world of global tourism has triggered a very significant hotel growth, so that it requires a lot of hotel staff who must be more professional in managing hotel operations which are very competitive at this time.

The number of Star Hotels in Medan City has increased from 2012 to 2015. However, in 2016 it decreased by ±30% and then experienced a significant increase in the following year until 2018. The number of hotels in Medan City in 2018 is a total of sixty-two hotels consisting of twelve one-star hotels, six two-star hotels, twenty-four three-star hotels, fifteen four-star hotels and five five-star hotels. Three-star hotels have a higher number compared to other Star Hotels in Medan City. This is one of the bases for researchers to conduct research on three-star hotels in Medan City.

Hotel is a type of accommodation business that provides adequate place and room facilities to stay equipped with various other supporting facilities that are really needed by tourists to enjoy their tourism activities and stay at the hotel. Businesses in the hospitality business are very profitable if management is carried out professionally so that they can last a long time and develop quickly, in contrast to other economic businesses. One of the things that is certain about owning a hotel business is getting a hotel property selling value that is much higher than the capital that was issued at the time of its construction, even if in hotel operations it is always crowded with guests with a high occupancy rate, the hotel property value will have a value selling multiples.

Hotel is one of the facilities provided for tourists to stay. The hospitality service industry tries to provide good service so that tourists feel at home and are impressed while traveling. Revenue from renting hotel rooms is the hotel's main revenue. In addition to location, complete facilities and satisfactory service, the hotel must also pay attention to the room rental rates offered to tourists. Hotels must make careful considerations so that the applicable rates do not cause harm to the company. This is to ensure that the applicable rates do not result in a decrease in the occupancy rate of hotel rooms which will ultimately result in a decrease in revenue from room sales (Natalina, 2010).

According to Gaspirini (2011) hotel property is different from other real estate. Hotels are not rented out based on square meters because income/cash flow is not from square meters but hotel cash flows are generated by rooms, food and beverages, fitness centers such as spas, gyms and also from the sales of other departments.

Hotel valuation is one of the property appraisals with a special business where this property does not only include land and buildings but also furniture and equipment (FF&E) as well as business components formed by transferable intangible assets (PPI 03). In an appraisal process, there are three approaches to valuation, namely the market approach, revenue approach, and cost approach. In situations where a lot of market transaction data is obtained, the cost approach becomes less relevant, but if comparative data is difficult to obtain, the cost approach becomes dominant (MAPPI, 2018).

In practice, the income approach is most often used in assignments or hotel appraisal work at the Public Appraisal Service Office with the consideration that there is no market data to be used as comparative data where hotel asset transactions are very rare and hotels are special business properties that generate income that have been operating and have been operating for a long time have operational systems and standard standards. This revenue approach considers the present value of the hotel's future cash flows.

The phenomenon is that the difference in the number of rooms is not significant but produces a hotel value that is quite significantly different as well as the average rate is not significantly different but produces a hotel value that is significantly different. This is inconsistent with the theory put forward by Morri and Benedetto (2019) that rates affect hotel revenue. The value of the hotel studied in this study is the result of the projected present value of the hotel's net income.

Based on the description above, this research will focus on the existence of a very significant difference (gap) in hotel values. This is intended to find out what factors cause the difference in the value of a 3 Star Hotels in Medan City to be very significant. Then it is analyzed to see how significant these factors are.

The purpose of this research is to find out analysis of factors influencing the value of 3 Star Hotels in Medan City.

RESEARCH METHODS

The research that has been put forward, this research is classified as causality research. Causality research is research that seeks to obtain explanations in the form of causes and effects for several situations described in variables (Pandiangan, 2015; Pandiangan, 2018).

The population is all the characteristics that become objects in research where these characteristics are all groups of people, events or objects that are the center of researchers (Pandiangan et al., 2018; Pandiangan, 2022). The population used in this study is 3 Star Hotels in Medan City which has been assessed by the Public Appraisal Service Office. The sample in this study, the number of samples is 30 for 3 Star Hotels in Medan City.

The analysis used in this research is multiple linear regression analysis. Multiple linear regression analysis is a regression model that involves more than one independent variable (Pandiangan et al., 2021; Pandiangan, 2022). Multiple linear regression analysis was carried out to find out the direction and how much influence the independent variables have on the dependent variable (Pandiangan et al., 2022; Tobing et al., 2018).

RESULT
General Description
1. Star Hotels in Medan City
   The dependent variable in this study is the value of 3 Star Hotels in Medan City using the income approach, namely the final calculation result of the discounted cash flow (DCF) method. The average value of 3 Star Hotels in Medan City is Rp58,577,367,000, where the highest value of 3 Star Hotels in Medan City is Rp118,959,000,000, with a total of 145 rooms available. Meanwhile, the lowest value of 3 Star Hotels in Medan City is Rp33,134,000,000, with a total of 74 rooms available.
2. Hotel Rate
   Hotel rate variable used in this study is the average room rate marketed by hotels to visitors expressed in rupiah units. With an average hotel rate of Rp516,783, where the highest room rate in this study is Rp792,000 for a hotel that has a total of 58 rooms available and the lowest room rate is Rp265,000 for hotels with 100 available rooms.
3. Occupancy Rate
   Occupancy rate variable used in this study is how much the number of rooms sold is compared to the number of available rooms expressed in percent (%). With an average occupancy rate of 56%, the highest occupancy rate in this study was 71% in hotels with 123 available rooms and the lowest occupancy rate was 43.48% in hotels with 110 available rooms.
4. Number of Room
   Number of room used in this study is how many rooms are available at the hotel expressed in units. With an average number of room is 97 rooms where the highest number of rooms is 145 units of rooms with a rate of Rp569,000 and the lowest number of rooms is 53 with a rate of Rp777,000.

5. Operational cost
   Operational cost variable used in this study is how much the costs incurred in managing the hotel are expressed in rupiah units. With an average operational cost of Rp9,700,937,667 where the highest operational cost is Rp24,398,710,000 for a hotel that has 145 rooms available and the lowest operating cost is Rp5,638,330,000 for a hotel that has 82 rooms available.

Multiple Linear Regression Analysis

Multiple linear regression analysis aims to examine the effect of two or more independent variables on one dependent variable. The thing that must be met in carrying out multiple linear regression is the fulfillment of the classical assumption test.

Table 1. Multiple Linear Regression Analysis

Variable	Sig.
Room Rate	0.001
Occupancy Rate	0.002
Number of Room	0.003
Operational Cost	0.072

Dependent Variable: Value of 3 Star Hotels

The results of the study show that room rate, occupancy rate, and number of room have a significant effect on the value of 3 Star Hotels in Medan City. Operational cost have no a significant effect on the value of 3 Star Hotels in Medan City.

CONCLUSION

The results of the study show that room rate, occupancy rate, and number of room have a significant effect on the value of 3 Star Hotels in Medan City. Operational cost have no a significant effect on the value of 3 Star Hotels in Medan City.

Based on the results of the research that has been done, the authors put forward several suggestions, including the following:

1. For the Appraiser Profession
   This research model can be used as a basis for conveying opinions to interested parties, both task givers and report users and other stakeholders.
2. For Potential Investors
   These results can be used as a reference for making decisions before investing in a hotel. Where prospective investors can consider 4 variable indicators before making an investment, namely room rate factor that will be offered, occupancy rate factor that can be achieved, number of room factor owned in a hotel, and operational factor cost optimization that will be realized.
3. For Other Researchers
   It is recommended for further researchers to conduct research related to how the level of customer satisfaction with the management of a hotel can affect the value of the hotel.
4. For Academics
   For academics to be able to develop this research in order to achieve better research results in the future and benefit all parties.

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HALAMAN INI SENGAJA DIKOSONGKAN