

Effect of Land Area, Land Legality, Distance to Luxury Housing Complex, and Distance to Central Business District on Land Value Around Sampali Village Area

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Abstract: Increased development in Sampali Village conduce the phenomenon of a considerable increase in the land value is occurring in this village area which has an impact on the diminishing opportunities of people to fulfill their need for land primarily for shelter. The formulation of the problem in this study is to determine what factors that causes the rise of the land value. Factors studied are the land area, land legality, its distance to luxury housing complex, its distance to central business district and the effects of these factors on the increase in land value. The purpose of this study is to determine whether the land area, the land legality, the distance to the luxury housing complex, distance to central business district affect the land value around the Sampali Village area. The present study is quantitative research. The population in this study is the plots of vacant land around Sampali Village area which is administratively included in the area of Urban Village of Sampali, District of Percut Sei Tuan, Deli Serdang Regency. The type of data used is a cross-section data that is analyzed using Multiple Linear Regression Statistics. This study was conducted from February 2018 to the end of August 2018. The results of the *t* test indicate that partially the land area has an insignificant effect on the land value, the land legality has a significant positive effect on the land value, the distance to luxury housing complex has a significant negative effect on the land value, and distance to central business district has an insignificant positive effect on the land value. The most dominant factor in effect of land value Sampali Village is land legality. The results of the *f* test indicate that simultaneously the land area, the land legality, the distance to luxury housing complex and distance to central business district has significant effect on the land value in Sampali Village.

Keywords: Land Area, Land Legality, Distance to Luxury Housing Complex, Distance to Central Business District, Land Value

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I. Introduction

The phenomenon of urbanization that occurs in big cities results in an increase in the need for urban space which is one of the basic human needs, so rapid population development will increase the need for land parcels, while the availability of land parcels on earth is fixed, so that it will affect the value of land (Nursolikin, 2005). Sampali Village is one of the villages located in Percut Seituan Sub-District, Deli Serdang Regency, North Sumatra Province, Sampali Village is one of the villages which is a downtown area, part of which is a trade and service area. The availability of land parcels is very limited and desirable and used as a destination to invest, find income and also settle, with this there is a high demand for vacant land and shelter in the village of Sampali.

The need for residential land in urban areas is increasing in line with population growth and accompanying socio-economic activities. The dynamics of activities in dense urban areas lead to competition between residents which leads to a higher intensity of the function of housing. So that the development of residential areas shifted to the periphery, causing changes in the use of allotment of agricultural land turned into residential land.

The development of an urban area will affect the value of land in the surrounding area. Land is a strategic asset both in terms of social and economic aspects. The development of the city generally results in land use leading to areas that are more productive than previous land uses. This results in an increase in the value of the land undergoing such changes.

Land is a fundamental need of every citizen today. The need for land can be seen from the enthusiasm of everyone who will get and maintain the land they want and have. The Basic Agrarian Law No. 5 of 1960

explains that land is a type of real property that has economic value for its owner so that land can be an attractive investment for anyone who has the ability to own it. Directly or not.

The cause of the increase in the value of land values can not be stated with certainty or absolute, but usually the market situation of transparent land values can cause an increase in the value of land prices, other causes are in the different interests of land values, news of a development project or road widening, activities business, or maybe the increase in land value occurs due to the existence of land agents who want to get a large margin, the population is increasing, resulting in scarcity of land parcels, thus encouraging an uncontrolled increase in land values. Of the various factors - there is a phenomenon, namely the anomaly of the value of land prices is quite high.

Value according to Harvey and Ernie (2007), is the content of an item or service that can be exchanged for other goods. Value can be interpreted as the meaning or meaning of an item. To have the value of an item must have certain characteristics, namely usability, scarcity, demand and transferable ownership. Value is something that is duly paid by a buyer or received by a seller in a sale and purchase transaction.

Land values are very sensitive to changes in their surroundings. Things that can affect the value of land are called factors that affect value. These factors can increase or lower the value of a land interest.

Land is valued on the basis of the benefits that can be given. The high and low value of land depends on the factors that influence it both physical and non-physical factors. Physical factors related to the extent, topography, and elements / substances contained in the soil. Good physical condition of the land indicates that the land will be more productive and utilized so that it is possible that the value will be high. Other factors related to land value are land area, land location and accessibility. Location and accessibility are closely related to where the land is located. Favorable location and access will make land more attractive and seen as having high value. Land location is considered beneficial if the land is located in the centers of economic activity or where demand for land is likely to continue to increase. This is because the expectation of benefits that can be generated from the land increases economically.

II. Literature Review

2.1 Land Value

Land is something that is unique. Land has characteristics such as characteristics of property economically in general, namely immobility, durability, scarcity, and when it is not supported by other factors of production land is an unproductive resource in this case having no value. In general, land titles in our daily lives can be used in various meaning, therefore in its use it needs to be limited so that it can be known in what sense the term is used.

The value of land is divided into two different types, namely the value of agricultural land associated with businesses in agriculture and the value of speculative land as a result of the degree of anticipation of the increased physical expansion of the city in the area concerned so determining the value of land is always associated with non-agrarian interests. Because the phenomenon of urban expansion is regarded as something that continues, although slowly but surely, the farmers have an assessment that the value of land approaching the city has a higher value of speculation.

The value of land is formed by factors that have a relationship, influence and strong attraction towards it which are classified into two factors, namely:

a. Measured factors, measurable factors are the factors forming the price of land that can be processed scientifically using academic logics. This factor is planned emergence and its physical form is in the field, for example accessibility and infrastructure networks (city facilities and infrastructure such as roads, electricity, offices and housing).

b. Unmeasurable factors, immeasurable factors are forming factors of land prices that appear suddenly (by themselves) and cannot be controlled in the field.

2.2 Legality

Along with the increasing population in Indonesia towards the recognition of norms and laws regarding land ownership rights, which initially tended to recognize land rights only to the recognition of social functions, but now it has changed more to economic functions with values formed due to the need for the land. alone. The increasing need for land for development, especially city development and regional development, whether managed by the government or private (capital) owners, is aimed at the interests and economic empowerment of the community. However, in reality many issues raise the issue of legal certainty over complex and strategic land ownership rights, which also always relate to economic, political and national security issues.

Understanding land legality is the recognition of certain land rights of certain parts of the earth's surface. The basis of legal certainty in written legal regulations as implementing the Basic Agrarian Law No. 5 of 1960, enables the parties concerned to easily know the applicable law and authority and the obligations that

exist on the land they have, because human needs for land today are increasing. This is due to the increasing population, while on the other hand the land area does not increase.

2.3 Housing Complex

Houses are needed by humans to take shelter and live, is one of the important and fundamental aspects in human life. Housing is one of the property sub-sectors in addition to offices, shops, hotels and industry. The criteria for housing in Indonesia, according to the Office of the Minister of Public Housing, are divided into 3 criteria, namely:

- a. Simple Homes (including Very Simple Houses),
- b. Middle Houses and
- c. Luxury Homes.

2.4 Central Business District (CBD)

The need for land is indicated by demand, which in turn will be met by supply. Seeing this aspect of demand and supply, then there should be a price balance at some point. However, in reality the perfect market never existed, given the mechanism is always "disturbed" by human activities themselves, so the market price that occurs often does not reflect the "pleasure" that is actually felt. In the language of valuation, the price of "pleasure" is often interpreted as economic value.

Trading activity in the market is a market economic activity, as described which is an economy in which the total flow of trade is broken up into person-to-person transactions, each of which has no connection, which is very large, very large in contrast to western economies centered on firms, where trade and industry are carried out through a series of non-personal social institutions.

III. Research Methods

3.1 Type of Research

This type of research is quantitative research, where phenomena can be classified as relatively fixed, concrete, observable, measurable and cause and effect symptoms. Hypotheses are tested through data collection, the data collected has been analyzed using statistics and econometrics, so it can be concluded that the hypotheses that are formulated are proven or not (Sugiyono, 2012).

The statistics used are inference statistics that study how to draw conclusions about the entire population based on data taken in a sample. While econometrics is defined as a quantitative analysis of real economic phenomena based on the development of theories and observations that are linked to the inference method.

3.2 Research Location and Time

This research was conducted in the Village of Sampali Village in Percut Sei District, Deli Serdang Regency. This research was conducted from February 2018 until the end of April 2018.

3.3 Population and Samples

Population is all the characteristics that are the object of research, where these characteristics relate to the whole group of people, events, or objects that are the center of attention for researchers (Fachrudin, 2014). While the sample is part of the population that is believed to represent the characteristics of the population as a whole (Fachrudin, 2014). The sample taken in this study is a saturated sample in which all members of the target population are used as research subjects. Total population of 46 (forty six) target populations obtained in this study were 46 (forty six) samples.

3.4 Data Analysis Methods

Data analysis method uses goodness of fit which is the accuracy of the sample regression function in estimating the actual values that can be described through the F test, t test, and the coefficient of determination.

IV. Research Results and Discussion

4.1 Results

Coefficient of Determination

R Square shows 0.987 which means that the influence of the variables $X_1 - X_4$ to the variable land value is 98.7% while the remaining 1.3% is influenced by other variables not included in the study.

Table 1 Determination Coefficient Test
Model Summary

	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.994 ^a	.987	.986	6.30002E5

a. Predictors: (Constant), Distance to CBD, Land Area, Distance to Luxury Homes, Legality

Source: Research Results, 2018 (Data Processed)

Simultaneous Significance Test (Test f)

In Table 2, an fcount of 801,651 is obtained with a significance value of 0,000, this shows that the significance value is smaller than $\alpha = 0.050$, so it can be concluded that the variables $X_1 - X_4$ simultaneously have a significant effect on the variable land value.

Table 2 Simultaneous Test (Test f)
ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.273E15	4	3.182E14	801.651	.000 ^a
Residual	1.627E13	41	3.969E11		
Total	1.289E15	45			

a. Predictors: (Constant), Distance to CBD, Land Area, Distance to Luxury Homes, Legality

b. Dependent Variabel: Land Value

Source: Research Results, 2018 (Data Processed)

Significance Test of Individual Parameters (t Test)

Based on Table 3, it can be seen that the significance value for the legality and distance of luxury homes variable is smaller than the required significance (0.050), then the t test results have a partially significant effect on the legality and distance of luxury homes variable on the variable land value.

Table 3 Partial Test (t Test)
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	4.459E6	831117.782		5.365	.000
X1	801.883	642.234	.030	1.249	.219
X2	1.073E7	579617.051	.836	18.506	.000
X3	-1413.238	294.752	-.173	-4.795	.000
X4	496.170	418.184	.070	1.186	.242

a. Dependent Variabel: Y

Source: Research Results, 2018 (Data Processed)

Further analysis of the results of the estimated regression is explained as follows:

a. Land Area: based on Table 3 the regression coefficient value of .030 and t count 1,249 where p-value > 0.05. Statistically positive regression coefficient values indicate a direct effect so that the land area variable does not significantly influence the land value variable.

b. Legality: based on Table 3 the regression coefficient value of .836 and t count of 18.506 where p-value < 0.05. Statistically positive regression coefficient values indicate a direct effect so that the legality variable has a positive and significant effect on the land value variable.

c. Distance to luxury house complex: based on Table 3 the regression coefficient value is -173 and t arithmetic is -4.795 where p-value < 0.05. Statistically the value of the negative regression coefficient indicates a direct effect so that the distance variable

with luxury homes has a negative and significant effect on the variable land value.

d. Distance with CBD: based on Table 3 the regression coefficient value is 070 and t arithmetic is 1.186 where p-value > 0.05. statistically positive regression coefficient values indicate a direct effect so that the distance with

CBD variable.

4.2 Discussion

Land Size Has Positive and Not Significant Effect on Land Value

The land area variable has a regression coefficient of .030 with sig. of 0,219 and 1,249, based on the t test results, the area of land has a positive but not significant effect on the value of land in the village of Sampali.

The influence of the land area is not significant to the land value in Sampali Village, because the area of the samples studied is in the form of effective land area for housing and housing sites, with a wide range between each research sample that does not differ much. The land area of this study sample is the effective plot area for residential, shophouse sites and residential building footprints, the broad range between each study sample that did not differ greatly between 80 m² to 759. m² of land area and was still in the Sampali Village area of the study sample.

Previous research conducted by Fitriyanto (2011), showed the same results as this study, that the variable land area had no significant effect on land values. The study also examined samples of land parcels for the designation of residential property, and commercial property such as shop houses in Wedi District, Klaten Regency.

According to Prawoto (2014) the utility and desire to buy a land depends on the type of land use. Land that has a proportional size and shape affects the highest and best use of the land (highest and best use). The difference in the size of the land area will affect the value of the land. In general, the size of the land with a wider land value is smaller than the smaller and effective soil size.

Researchers' test results show that the area of land does not significantly influence the value of land with researchers Taslim (2014) explaining the same test results, the tendency of land at the study site is almost the same distance and its settlement is more on the site of houses and shops.

That the area of land in a certain size and utilization does not significantly influence the value of the land, for example the size of the land for residential purposes. But on larger lands, for example for the use of agricultural activities, there is a tendency that the wider land will cause the per meter land value to decrease, this is because if it is too large then there will be more problems in its management (Hidayati and Harjanto, 2003).

Land Legality Has Positive and Significant Effect on Land Value

Based on the results of the t test the variable of legality of the land has a regression coefficient of 0.836 with sig. of 0,000 and tcount of 18,506. Regression analysis results of land legality variables have a positive and significant effect on land values in the Sampali Village area. The amount of contribution of the legality of the certified land to the value of the land per meter can reflect the acquisition cost of the land plus the intangible of the certainty of rights that have been obtained over the land. Because not all land that has not been certified can immediately request an application submitted by the community over the land to be approved by the State.

In line with the theory that explains that the legality of a piece of land is very big influence on the value of land. Land can be identified through ownership.

The test results of this study have similarities with previous research by Bogie (2015), which explains that the factor of the level of land legality is a factor that has a positive and significant influence on land values in the Medan Timur District of Medan.

According to Hidayati and Harjanto (2003) the legality of ownership states certain rights over land ownership. Valuation of a property must also investigate all ownership rights, restrictions on the type of building and business that can be run on the property.

Logically speaking, it can be explained that in the research location it shows that certified land is a land that has a very high level if it is related to the value of land that still has a land title letter below the level of title certificate.

Distance of Complex Luxury Homes Has Negative and Significant Effect on Land Value

Based on the results of the t test that the distance to the luxury home complex has a regression coefficient of -.173 with Sig. of 0,000 and tcount - 4,795 which means based on the results of the regression analysis that the distance variable with a luxury home complex has a negative and significant effect on land values in Sampali Village, Percut Sei Tuan District.

The above mentioned fact is also found in lands around the area of the Cemara Asri luxury housing complex and the surrounding land in the Sampali Village area, found at the research location that the vacant land that is close to the Cemara Asri Housing Complex is the lands next to West and East, the value of the land has also increased in price with the value of the land in the Cemara Asri luxury home complex.

Theoretically the results of this research test explain that the distance factor from luxury homes is considered as a factor affecting the value of land in the study site, two real property that has the same physical,

but if the location is different will have different values. The effect of this significant distance shows that the distance with the luxury housing complex has an attraction for the community to make purchases or land investment, especially in that area is widely used as a place for economic activities and other commercial activities so as to increase the high value of land.

Distance of CBD Has Positive and Not Significant Effect on Land Value

Based on the results of the t test showed that the distance from the central business district has a positive but not significant effect on land values in the village area of Sampali.

The test results in this study differ from the results of tests conducted by Hans and Basuki (2000) who said that the distance to the commercial center had a significant negative effect on land values. The same thing is different from the results of this study with Von Thunen's theory which says that land prices are based on metric distances to the center of socioeconomic activity.

The distance factor variable with the central business district as the center of the economy is still related to the principle of desire and ability. The test results of this study explained that the effect of the distance to the CBD which has the results of a positive and significant effect shows that the CBD has less appeal for the community in the village of Sampali. Especially in these areas are widely used as centers of economic activity that makes the location is not hegetic.

V. Conclusion and Suggestion

5.1 Conclusion

Based on the results of this study, the following conclusions can be made:

- 1.Land area has a positive and not significant effect on land values around the area of Sampali Village.
- 2.Land Legality has a positive and significant effect on the value of land around the Sampali Village area.
- 3.The distance from the luxury home complex has a negative and significant effect on the value of land around the Sampali Village area.
- 4.Distance to the Central busines district has a positive but not significant effect on land values around the Sampali Village area.

5.2 Suggestion

Based on the results of the study, suggestions that the author can give are as follows:

- 1.For people who are going to buy vacant land or invest in property in the vicinity of Sampali Village, it is recommended to consider the results of this study which shows that plots of land that are in a radius of less than 1500 m from the gate of the Cemara Asri Complex (luxury housing complex), the value the land is relatively high, so the choice of alternatives to purchase vacant land in the area must be adjusted to the development of what will be built on the land.
- 2.For the appraisal profession, it can use the regression model produced in this study to become one of the references in estimating the value of land around the village of Sampali.
- 3.For the Deli Serdang Regency Government to better be able to control, supervise and determine the amount of the Tax Object Value (NJOP) and the Land and Building Tax for the addition of the Deli Serdang Regency's Original Local Revenue (PAD).
- 4.For investors who are going to develop property around the area of Sampali Village, they must pay attention to the balance between the property sites to be built with an adequate ratio of open spaces for public purposes such as parks, jogging track areas and others. Beautiful environmental management will certainly increase land values.
- 5.For further researchers who will conduct research in this research area, it is recommended to conduct enrichment on the variable of legality of the land by observing specifically the differences between certificates of ownership, certificates of use rights, and certificates of tenure, and forms of recognition based on an individual basis. on the release or end of another PTPN HGU of other plantations. site designation for commercial property (shophouses), site elevation, distance to the river, in order to provide more complete information.

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