

Analysis of Investment Feasibility in The Construction Project of Intan Hotel Masohi City, Central Maluku Regency

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Abstract.

The construction of the Intan Hotel in Masohi City, Central Maluku Regency is one of the strategic efforts to support the growth of the tourism sector and improve the regional economy. As government, economic activity, and tourist visits in Masohi City increase, the need for adequate accommodation facilities has become increasingly important. However, the amount of funds needed in the construction of hotels requires an investment feasibility analysis so that the project can provide optimal financial benefits and minimize the risk of losses in the future. This study aims to analyze the feasibility of investment in the Masohi City Intan Hotel Development Project from a financial aspect. The research method used is a quantitative approach with Net Present Value (NPV), Benefit Cost Ratio (BCR), and Payback Period (PP) analysis methods. The data used consisted of primary data obtained through direct observation at the research site, interviews with related parties, and surveys, and secondary data in the form of Cost Budget Plan (RAB), banking interest rates, and investment age. The analysis was carried out taking into account the investment life of 10 years and the prevailing average bank interest rate. In addition, this study also uses several Room Occupancy Rate (TPK) scenarios, namely high, normal, low, and actual scenarios, to describe different hotel operational conditions. The results of the study show that in all scenarios analyzed, the Net Present Value (NPV) value is positive, the Benefit Cost Ratio (BCR) is greater than one, and the Payback Period (PP) is smaller than the set investment life. This shows that the Masohi City Intan Hotel construction project is financially feasible to be implemented and developed. This investment is expected to be able to provide sustainable profits and contribute to the development of the hotel sector and the economy of the Central Maluku Regency.

Keywords: *Investment Feasibility Analysis; Hotel Development Project; Net Present Value (NPV); Benefit Cost Ratio (BCR) and Payback Period (PP).*

I. INTRODUCTION

Investment is an investment activity that aims to obtain profits in the future. According to Kasmir and Jakfar (2012), investment is an investment or fund in one or more assets owned and usually over a relatively long period of time to make a profit. In a business context, investment decisions cannot be made carelessly because they concern risk, return, and business continuity. Therefore, a feasibility study is needed as a tool to assess whether an investment project is feasible to be implemented or not from various aspects, especially financial aspects. Hotel investment is also a problem in some regions in Indonesia, especially developing regions such as Papua and parts of Kalimantan, facing hotel investment challenges due to unstable local regulations and legal uncertainty (Harris, 2008). In addition, problems related to hotel investment also exist in Maluku, one of which is on Banda Island, Central Maluku Regency, where many investors are interested in opening hotels and resorts in Banda Neira, but are constrained by limited electricity and clean water for hotel operations and the challenges of business permits and spatial planning that are not synchronized between agencies. Investors from Jakarta once canceled plans to build an eco-resort because of the difficulty of obtaining permits and a sustainable supply of clean water on Banda Island. The hospitality human resources are still minimal such as waiters, chefs and hotel managers. Likewise with Masohi City which is located on Seram Island, Central Maluku Regency.

Local hotels such as Lisar Bahari and Hotel Isabella cater to guests with limited facilities. The lack of investment makes service standards and facilities unable to compete with other tourist areas such as Ambon or Raja Ampat. So that investment in Hotel Intan is expected to meet the need for services for hospitality in Central Maluku, especially in Masohi City (Varefa I. Ruhulesin, 2022). The Intan Hotel construction project in Masohi City, Central Maluku Regency is a strategic step to utilize the potential of

Masohi City as a center of economic, government, and tourism activities. The number of tourist visits shows an increasing trend from year to year, namely 4,758 people in 2020, 8,805 people in 2021, 9,917 people in 2022, 17,639 people in 2023, and jumping to 38,283 tourists in 2024 (BPS, 2024). This figure reflects positive growth and promising business opportunities in the accommodation sector. The construction of this hotel is expected to not only meet the accommodation needs of tourists, but also contribute to the improvement of the local economy, job creation, and the development of the wider tourism sector in the area. Development with private funds in the form of property in the hospitality sector where all financing comes from the business owner's own capital, without the involvement of external investors.

This private funding covers the construction of the hotel from scratch to its operation. So that the owner bears all the risks and operational costs, but also gains full control over the direction, strategy, and business decisions taken. In return, all profits generated from the project become the owner's sole property, without having to be shared with other parties. Research related to the feasibility of investment in the hotel sector has been carried out previously, including by Latumaerissa (2019) who analyzed the feasibility of investment in hotel development in Ambon with a financial aspect approach using the Net Present Value (NPV), Internal Rate of Return (IRR), and Payback Period (PP) indicators. The research became a guideline for this research, with differences in geographical location and project conditions. The Intan Hotel studied in this study is located in Masohi and is a mid-range or three-star hotel that has a total of 50 rooms with 2 types of rooms, namely Deluxe room and Standard room. This study also uses a quantitative approach to assess the feasibility of investment based on actual development data, so it is important to conduct an investment feasibility analysis on the construction project of the Intan Hotel in Masohi. Apart from the fact that this project has been realized and requires evaluation from the financial side, this analysis is also useful as a consideration for investors and local governments in developing similar projects in the future.

II. METHODS

This study uses a quantitative approach carried out in Masohi City, Central Maluku Regency, with the object of research at the Intan Hotel located on Jalan Abdullah Solissa. This study utilizes primary data and secondary data, where primary data is obtained through direct observation of the physical and operational conditions of the hotel, interviews with related parties regarding investment costs, income, and expenses, and surveys to obtain relevant additional information. Meanwhile, secondary data is obtained from supporting documents such as the Cost Budget Plan (RAB), bank interest rates, and investment age. The independent variables in this study include investment interest rates, income costs, expenses and investment life, while the dependent variables are the investment feasibility of Hotel Intan. The research procedure is carried out through the stages of problem identification, literature study, data collection, data grouping, and data processing. Data analysis uses an investment feasibility analysis method consisting of Net Present Value (NPV), Benefit Cost Ratio (BCR), and Payback Period (PP). The NPV method is used to assess the difference between the present value of cash inflows and initial investments, BCR to compare project benefits and costs, and PP to measure the time frame of return on investment. With this approach, the research aims to comprehensively evaluate the financial feasibility of the Intan Hotel project and provide a basis for consideration for investment decision-making.

III. RESULT AND DISCUSSION

The investment feasibility analysis of Hotel Intan was carried out using three assessment methods, namely *Net Present Value* (NPV), *Benefit Cost Ratio* (BCR), and *Payback Period* (PP), the results of which are presented as follows.

Net Present Value (NPV)

Based on the NPV calculation, the value obtained in the High Scenario is IDR 6,925,699,254, the Normal Scenario is IDR 4,892,044,712, the Low Scenario is IDR 3,424,585,069, and the Actual Scenario is IDR 1,222,597,918, all of which have a positive value, so the investment is considered profitable.

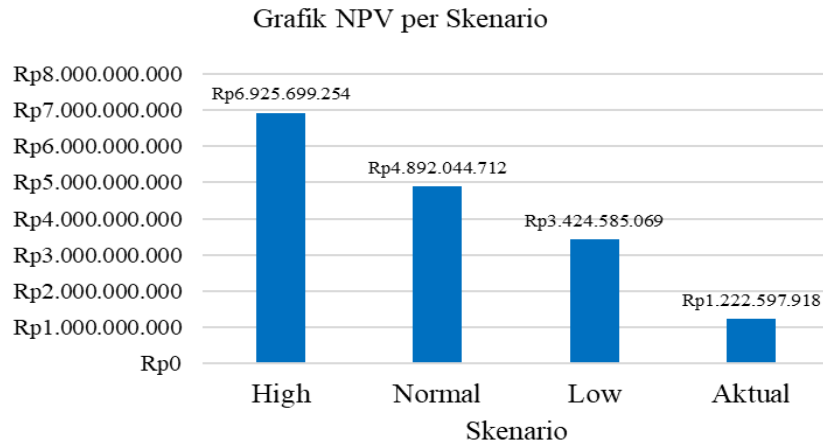


Fig 1. NPV Chart per Scenario
(Source: Data processing results, 2025)

Benefit Cost Ratio (BCR)

The results of the BCR calculation show a value greater than 1 in all scenarios, namely 3.614 for the High Scenario, 2.8496 for the Normal Scenario, 2.2948 for the Low Scenario, and 1.462 for the Actual Scenario, which means that every rupiah of investment costs results in greater benefits.

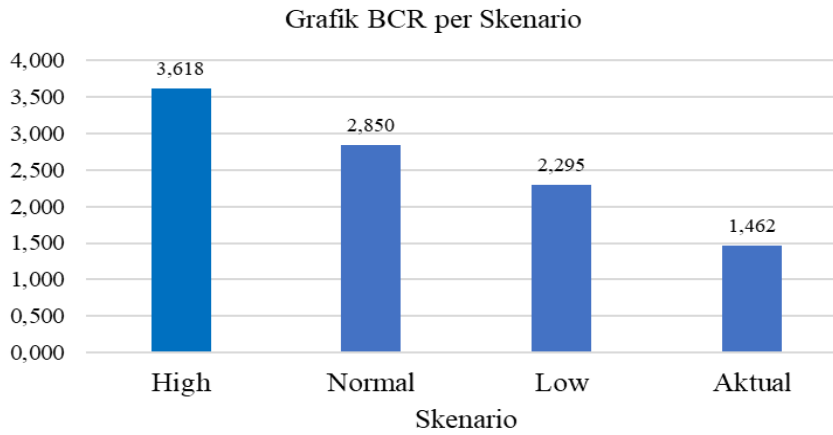


Fig 2. BCR Graph per Scenario
(Source: Data processing results, 2025)

Payback Period (PP)

The results of the *Payback Period* (PP) analysis show a relatively fast return on investment, namely 2 Years 9 Months 23 Days for High Scenarios, 3 Years 6 Months 15 Days for Normal Scenarios, 4 Years 4 Months 10 Days for Low Scenarios, and 6 Years 10 Months 25 Days for Actual Scenarios.

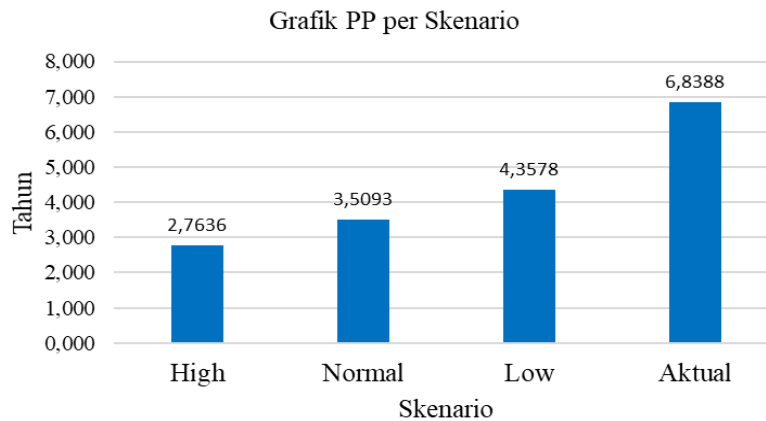


Fig 3. PP Chart per Scenario
(Source: Data processing results, 2025)

IV. CONCLUSION

Based on the feasibility analysis of the investment that has been carried out in the diamond hotel construction project of Masohi City, Central Maluku Regency, with the assessment methods used, namely Net Present Value (NPV), Benefit Cost Ratio (BCR), and Payback Period (PP) shows that:

1. Net Present Value (NPV) shows that the investment is financially feasible in the High Scenario with an NPV value of IDR 6,925,699,254, the Normal Scenario of IDR 4,892,044,712, the Low Scenario of IDR 3,424,585,069, and the Actual Scenario of IDR 1,222,597,918, because the entire NPV value is positive (> 0).
2. The Benefit Cost Ratio (BCR) shows that the investment is financially feasible in the High Scenario with a BCR value of 3.618, the Normal Scenario of 2.5093, the Low Scenario of 2.2948, and the Actual Scenario of 1.4622, because the total BCR value is greater than 1 (> 1).
3. Payback Period (PP) shows that investments in the High Scenario can be returned within 2 Years 9 Months 23 Days, Normal Scenario for 3 Years 6 Months 15 Days, Low Scenario for 4 Years 4 Months 10 Days, and Actual Scenario for 6 Years 10 Months 25 Days, which indicates that the return on capital is still faster than the investment life.

Thus, based on the three investment assessment indicators (NPV, BCR, and PP), it can be stated that Hotel Intan is feasible to be developed and implemented as an investment project.

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