



**KIRIN CAPITAL**

*Know Vietnam, Long Vietnam*

**INVESTMENT ANALYSIS REPORT**  
**BAC GIANG PROVINCE**  
**REAL ESTATE MARKET**

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*KCREF – REAL ESTATE FUND*

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**01**

**SOCIO-ECONOMIC  
OVERVIEW OF  
BAC GIANG PROVINCE**



# Geography and transportation of Bac Giang Province



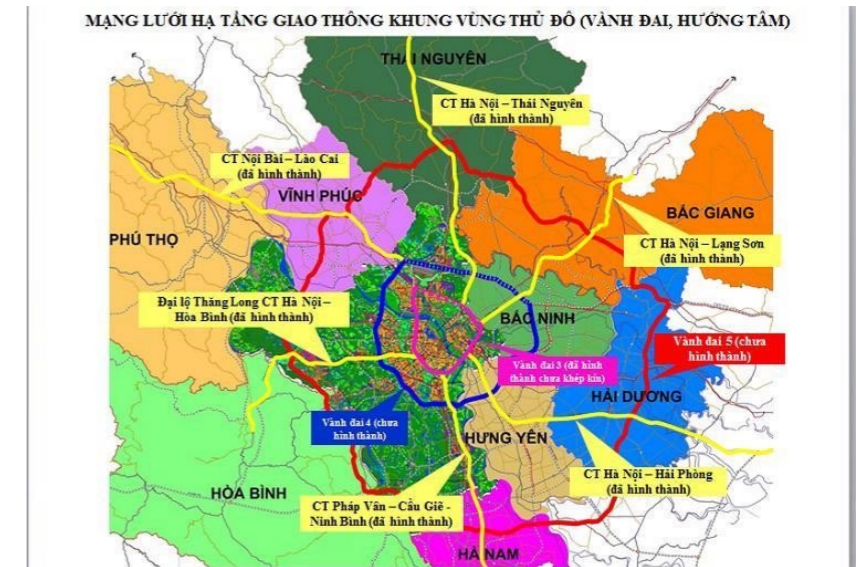
Located 50km from Hanoi and 110km from Huu Nghi border gate (Lang Son)

*Natural land area: 3,900km<sup>2</sup>*

*Population: ~ 1.8 million pp*



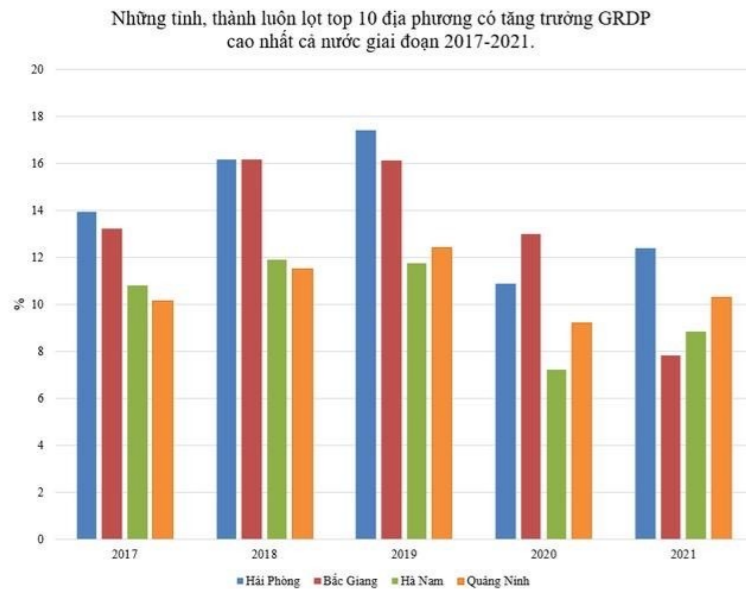
Bac Giang is located in the economic corridor of Nam Ninh - Lang Son - Hanoi - Hai Phong - Quang Ninh



As part of the Hanoi Capital Economic Zone, Bac Giang takes benefits from the connection to both the 4th and 5th beltways, facilitating infrastructure investment in industrial parks.

*In the third quarter of 2022, the construction of the 4th beltway in the Hanoi region was commenced, while the construction of the 5th beltway section through Bac Giang province was also initiated.*

# Economy and society of Bac Giang Province



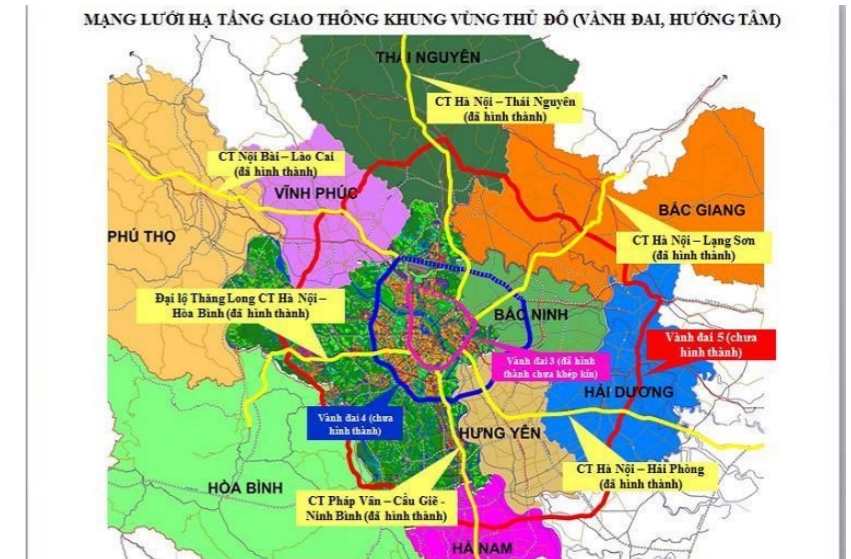
Bac Giang's economic growth rate (GRDP) for the whole year reached 19.3% (nearly 2.5 times the national average), the highest ever and ranked second in the country.

- *The number of foreign workers in Bac Giang is slightly higher than in Bac Ninh Province*
- *Tỷ lệ đô thị hóa tại Bắc Giang mới The urbanization rate in Bac Giang is only half that of Bac Ninh in 2022*



Decision 219/QĐ-TTg/2022 approves the Bac Giang provincial plan for the period of 2021-2030, aiming to develop Bac Giang into a modern industrial province by 2030

*The average GRDP per capita in 2030 is expected to reach around 9,800 USD (at current prices)*



The Bac Giang Provincial Party Committee has issued Plan No. 51-KH/TU on the implementation of Resolution No. 06-NQ/TW on the planning, construction, management, and sustainable development of Vietnam's urban areas until 2030, with a vision to 2045

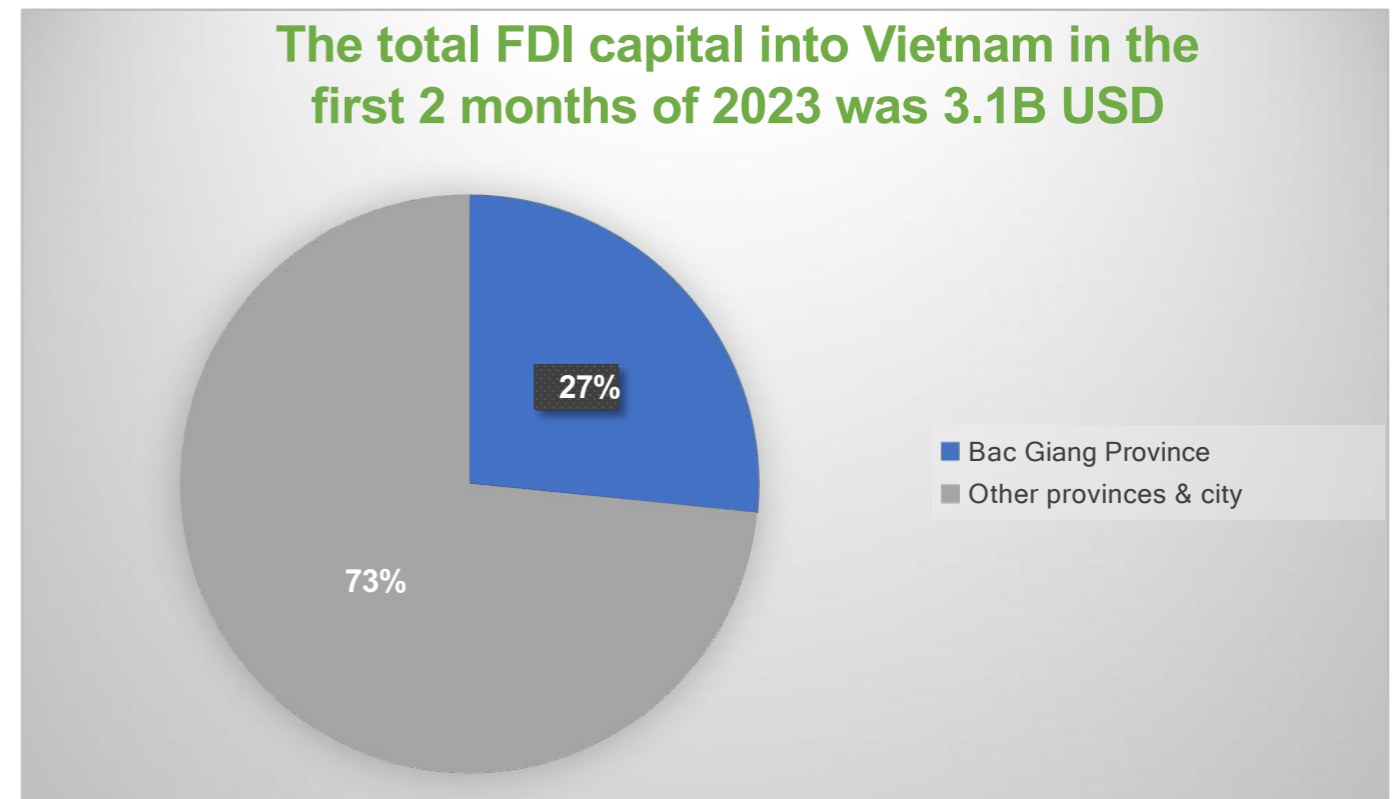
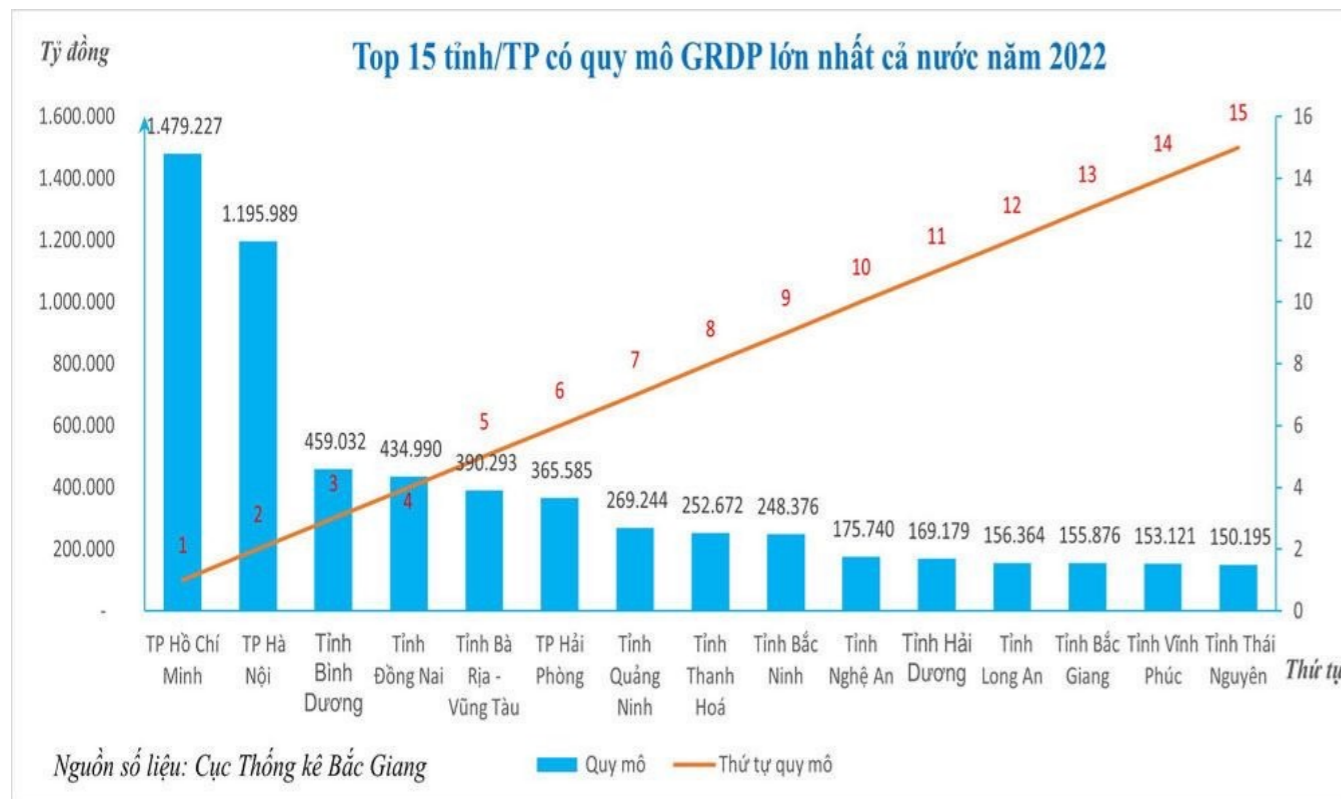
# Bac Giang's economy is accelerating in the period of 2020 - 2025



One of the most important goals set by the 19th Provincial Party Congress of Bac Giang (term 2020-2025) is to strive to bring the province into the top 15 provinces and cities with leading GRDP in the country.

**In particular, Bac Giang has risen to 13th place in 2022, exceeding the Congress's target for 2025.**

Foreign investors have invested in 39 provinces and cities across the country, with Bac Giang leading with a registered investment capital of over 824.3 million USD, accounting for more than 26.6% of the total registered investment capital and increasing more than 8.4 times in comparison to the same period in 2022.



Top 15 provinces and cities with leading GRDP in the country

# Economy - Society of Bac Giang and Bac Ninh



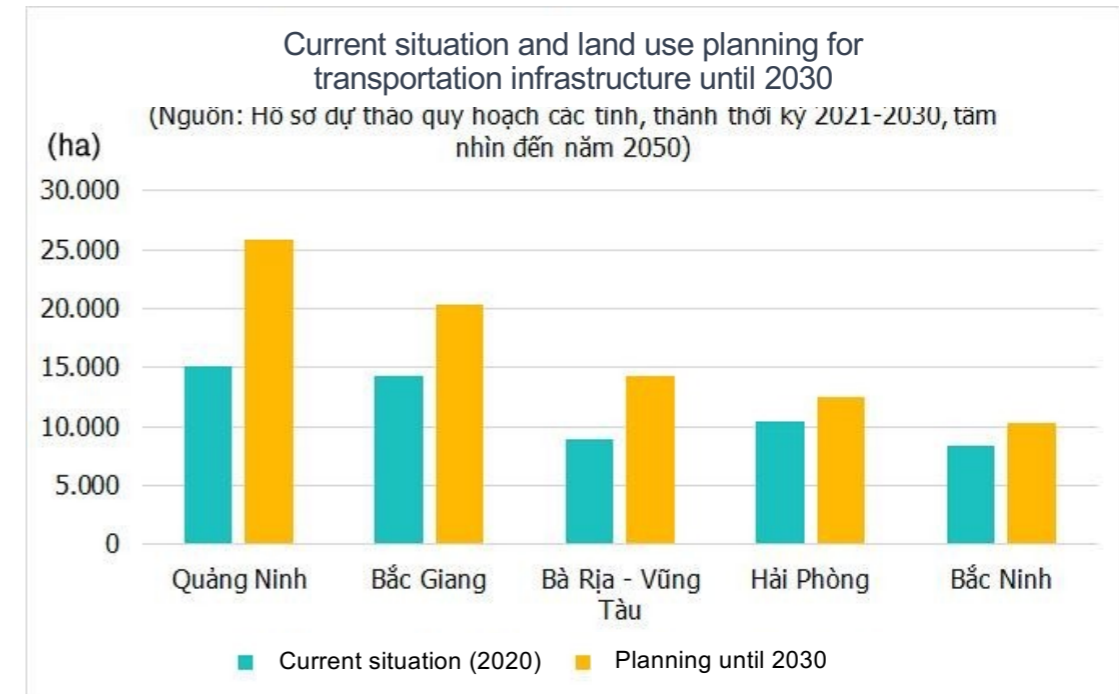
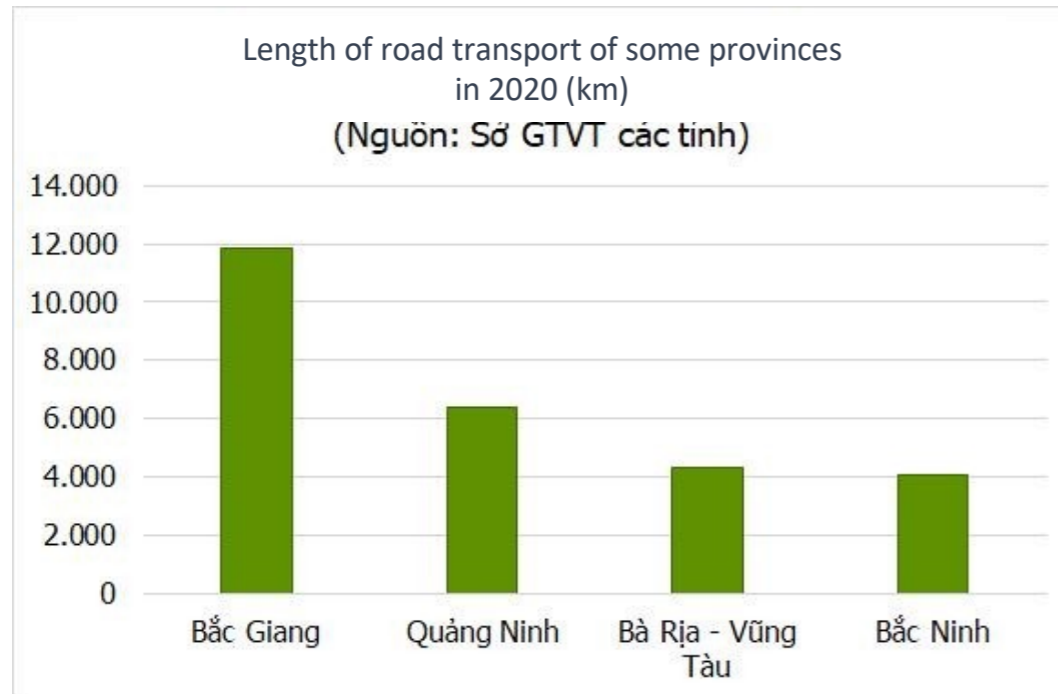
CRITERIA	BAC GIANG	BAC NINH
Area	3,825 km <sup>2</sup> (36th nationwide)	822 km <sup>2</sup> (63rd nationwide)
Administrative units	1 city + 9 districts	2 cities + 6 districts
Population	1.84 million people (12th nationwide)	1.45 million people (22nd nationwide)
Population Density	463 people/km <sup>2</sup>	1,762 people/km <sup>2</sup>
Urbanization rate	23%	38%
Road transport (2022)	QL1A, QL31, QL279	QL1A, QL17, QL18, QL38
Highway transport (2022)	CT03	CT03, CT06, CT07, CT21
Railway transport (2022)	Hanoi – Lang Son	Hanoi – Lang Son
Provincial GRDP (2022)	156.364 billion VND (13th nationwide)	248,376 billion VND (9th nationwide)
GRDP capita (2022)	3,542 usd/person (21st nationwide)	7,450 usd/person (4th nationwide)
% of poor households	3,86%	0,94%
Budget Revenue (2022)	16,490 billion VND (179.2%)	23,282 billion VND (179.2%)
Industrial zones in operation (2022)	5	10
Total industrial zones planned to 2030	29	18
Industrial clusters in operation (2022)	37	21
Total industrial clusters planned to 2030	102	31
Development orientation to 2030	Modern industrial province	Centrally governed city

# Economy - Society of Bac Giang and Bac Ninh

Bac Giang is a province that has developed after Bac Ninh in term of development indicators such as industrial parks, urbanization rate, and average income per capita being 1/3 to 1/2 these statistics of Bac Ninh.

However, Bac Giang has the advantage of having more than 4 times the total land area and 1.5 times the population of Bac Ninh, which means there is still more potential for economic and social development in Bac Giang.

In the land and transportation planning of provinces and cities for the period of 2021-2030 (vision to 2050), Bac Giang has up to 20,000 hectares of land allocated for transportation, twice that of Bac Ninh with 10,000 hectares, and ranked second in the country only after Quang Ninh province with 25,000 hectares.

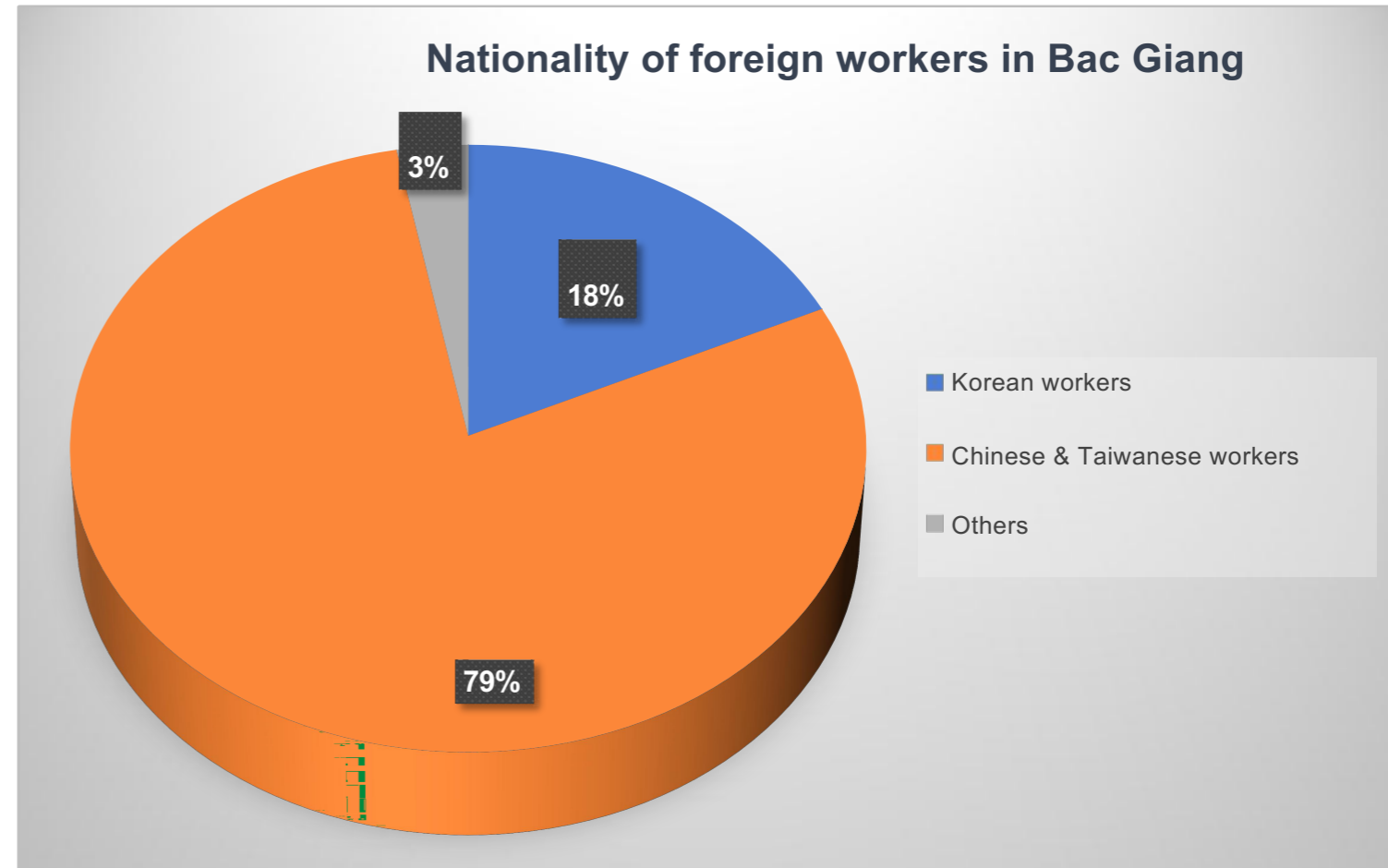




## The number of foreign workers

According to a report from the Department of Industry and Trade of Bac Giang province and the Ministry of Labor, Invalids and Social Affairs, as of the end of 2021, there are 626 enterprises employing 71,000 foreign workers in the province.

In comparison to 31,000 foreign workers in Bac Ninh province, Bac Giang has more than twice as many foreign workers, despite having a lower level of urbanization (only about 1/3 compared to Bac Ninh). This proves that the supply of high-end apartments in Bac Giang still has more potential for development than in Bac Ninh.



*Source: Department of Industry and Trade of Bac Giang Province, Ministry of Labor, Invalids and Social Affairs*

# Prime Minister: "Bac Giang is a hub for goods transit in the Northeast gateway"



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With its important geographical and transportation position in the Northeast region of Vietnam, connected to the Nam Ninh Economic Corridor (China) => Lang Son – Bac Giang – Hanoi – Hai Phong (Vietnam), Bac Giang is being strongly developed and improved by the Government in terms of infrastructure, road and rail transportation to become a province as planned by the Prime Minister.

Along with the strong development of industrial and commercial trade with China, urbanization and urban real estate development in Bac Giang will boom in the period from 2021 to 2030.





# 02

## **PLANNING OF INDUSTRIAL ZONES IN BAC GIANG PROVINCE**



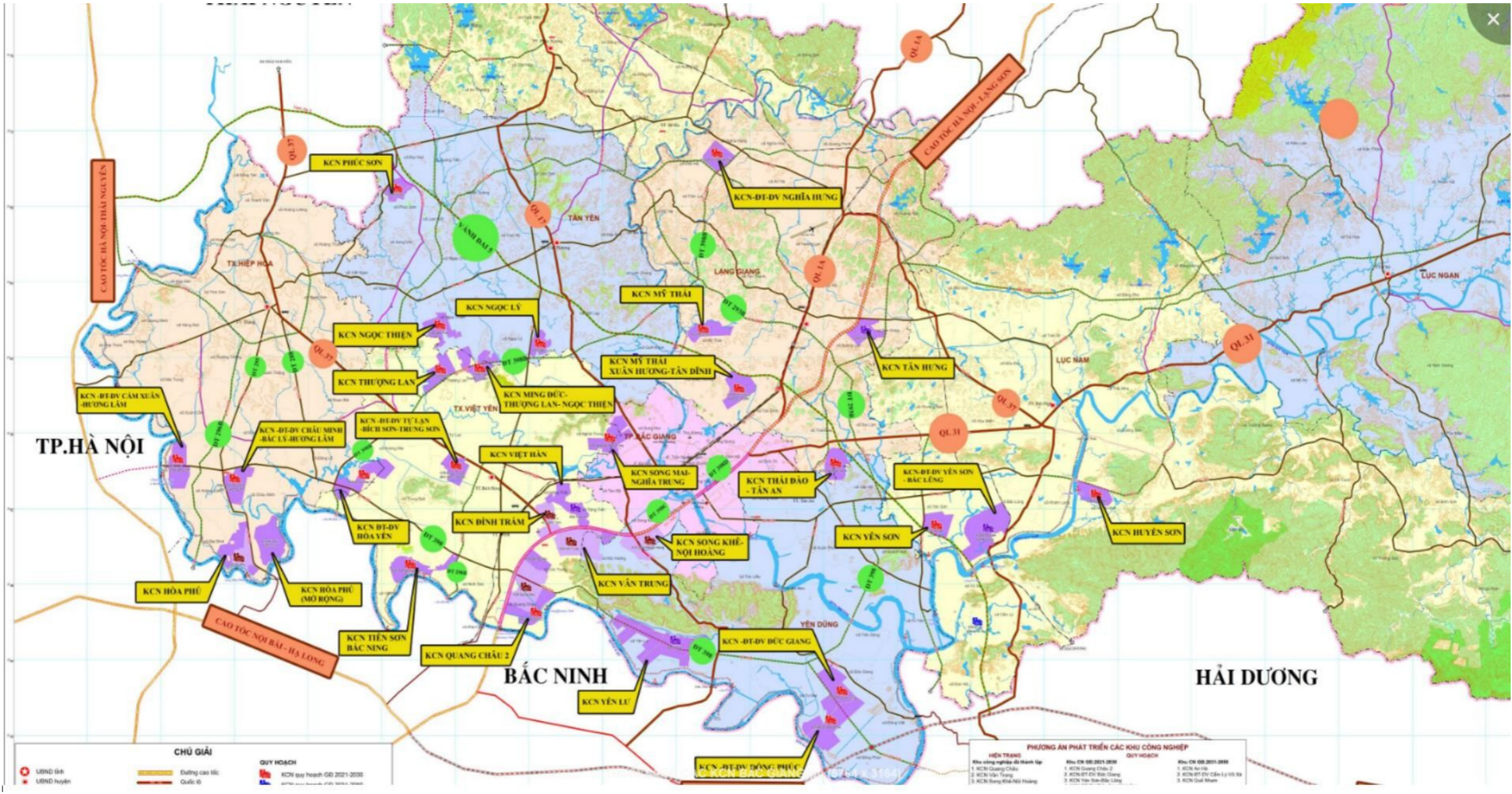
# The industrial zones in Bac Giang as of 2022



# Planning of industrial zones in Bac Giang period of 2021-2030



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# Planning of industrial zones in Bac Giang period of 2021-2030



## LIST OF INDUSTRIAL PARKS - URBAN AREAS - SERVICE AREAS IN BAC GIANG PROVINCE 2021 - 2030, VISION TO 2050

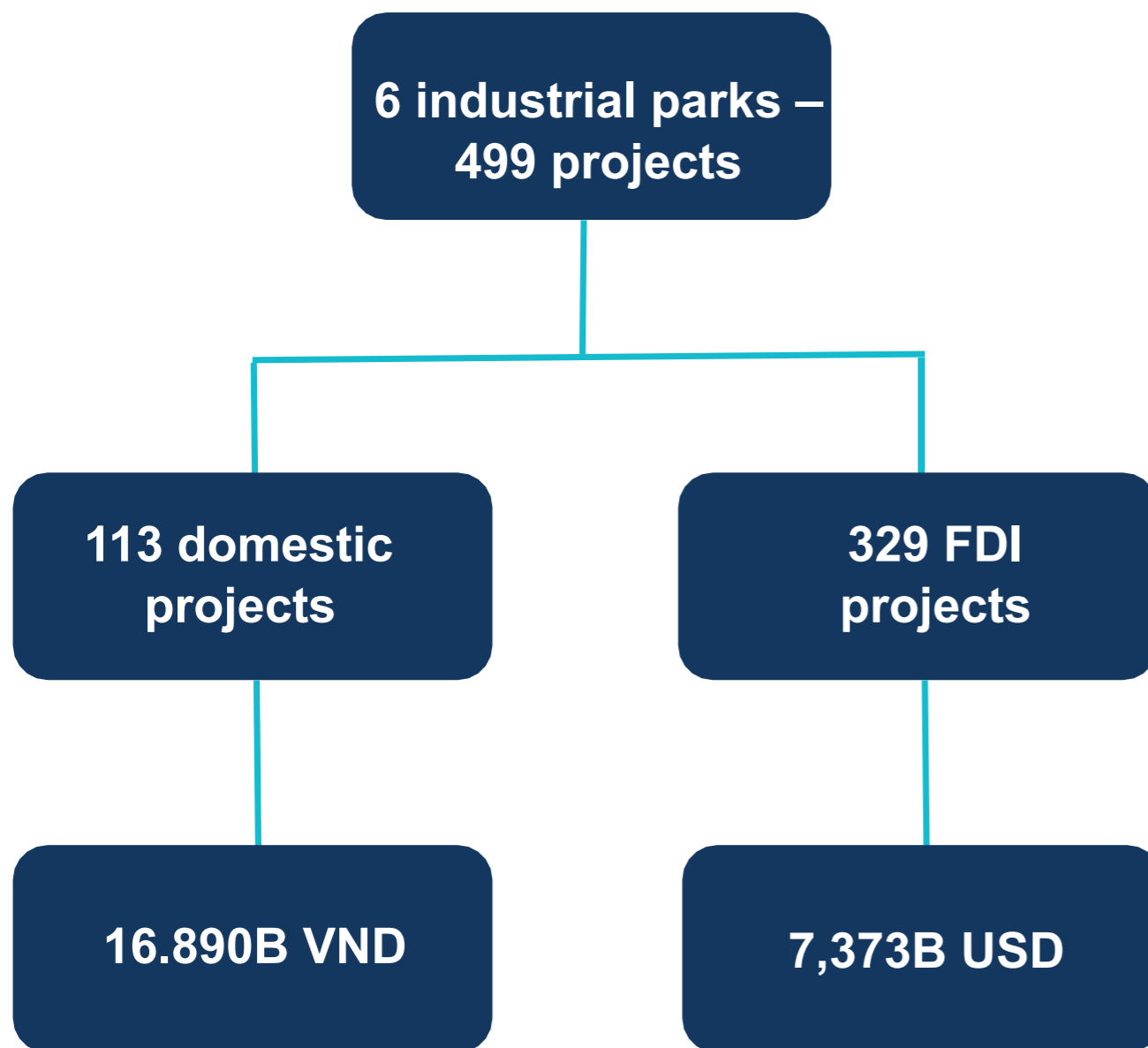
I. STATUS	II. PLANNING	
Established Industrial Parks	Industrial Parks 2021 - 2030	Industrial Parks 2031 - 2050
1. Quang Chau Industrial Park	10. Quang Chau Industrial Park 2	30. An Ha Industrial Park
2. Van Trung Industrial Park	11. Duc Giang industrial park - urban area - service area	31. Cam Ly - Vu Xa industrial park - urban area - service area
3. Song Khe - Noi Hoang Industrial Park	12. Yen Son - Bac Lung Industrial Park	31. Que Nham Industrial Park
4. Dinh Tram Industrial Park	13. Tien Son - Ninh Son industrial park - urban area - service area	
5. Hoa Phu Industrial Park	14. Xuan Cam - Huong Lam industrial park - urban area - service area	
	15. Chau Minh - Bac Ly - Huong Lam industrial park - urban area - service area	
<b>Industrial Parks included in the planning</b>	16. My Thai - Xuan Huong - Tan Dinh Industrial Park	
6. Viet Han Industrial Park	17. Thai Dao - Tan An Industrial Park	
7. Yen Lu Industrial Park	18. Nghia Hung industrial park - urban area - service area	
8. Tan Hung Industrial Park	19. Minh Duc - Thuong Lan - Ngoc Thien industrial park - urban area - service area	
9. Bac Lung Industrial Park	20. Thuong Lan Industrial Park	
	21. Song Mai - Nghia Trung Industrial Park	
	22. Tu Lan - Bich Son - Trung Son industrial park - urban area - service area	
	23. Huyen Son Industrial Park	
	24. My Thai Industrial Park	
	25. Phuc Son Industrial Park	
	26. Dong Phuc industrial park - urban area - service area	
	27. Hoa Yen industrial park - urban area - service area	
	28. Ngoc Ly Industrial Park	
	29. Ngoc Thien Industrial Park	

# Industrial development in Bac Giang



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2016 – 2022 period



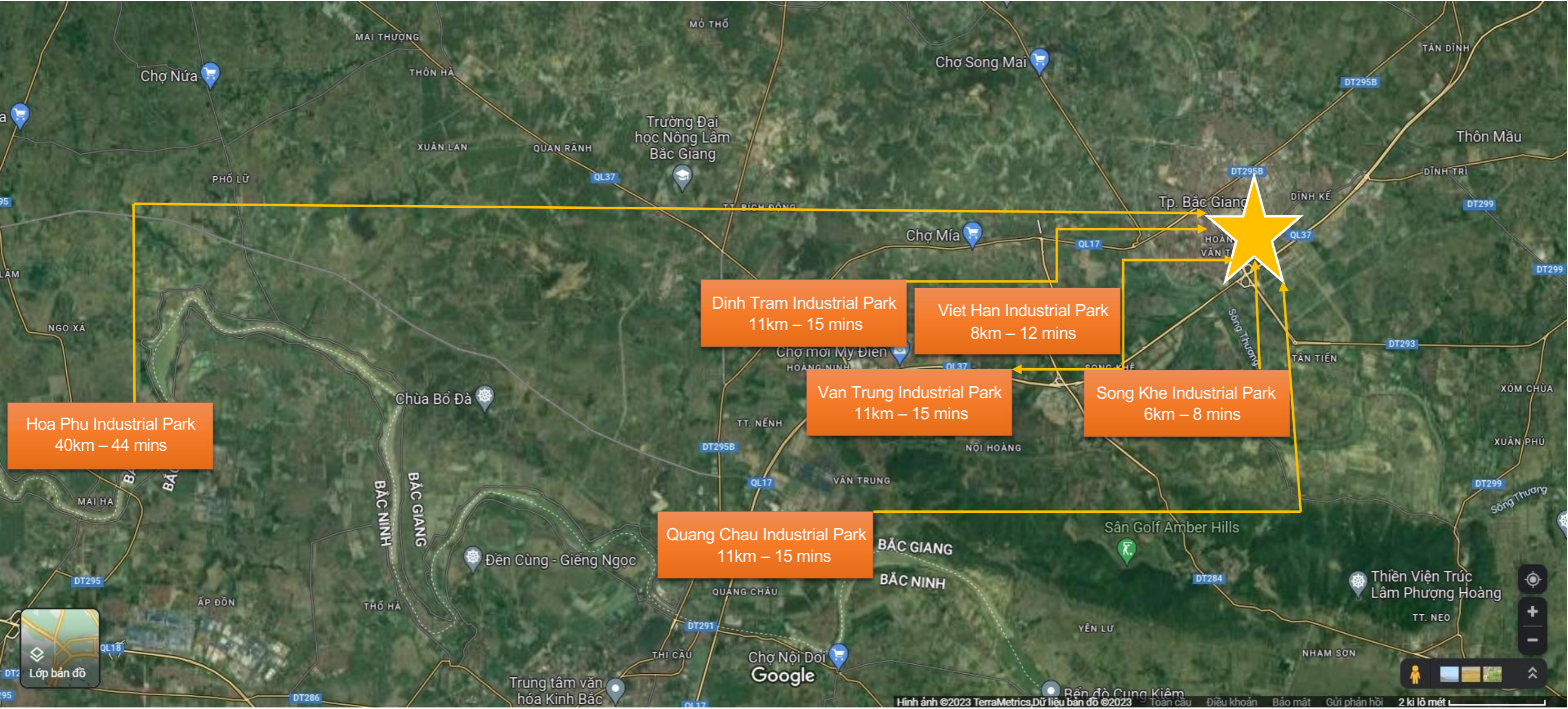
- Main driving force for the provincial economy
- Industrial growth rate: 23.8%/year
- The average increase in industrial production value: 28,9%/year
- Industrial proportion in the economic structure: 54,8% (2022)
- Attracting 499 projects

❑ **Top 9 provinces attracting FDI nationwide**

❑ **In the first 3 months of 2023**, the total registered investment capital in Bac Giang reached over 1.1 billion USD, **accounting for nearly 20.3% of the total registered FDI capital nationwide**, and increasing 5.2 times compared to the same period in 2021.



# Distance from the active industrial parks to Bac Giang City





# List of industrial parks planned as of 2022

NO.	NAME	AREA	NUMBER OF COMPANIES	NUMBER OF WORKERS	AVERAGE INCOME	NUMBER OF FOREIGN WORKERS	DISTANCE FORM CENTER
1	Dinh Tram Industrial Park	127,4 ha	202	95,000	8 – 12M	14,820	11km - 15 mins
2	Song Khe - Noi Hoang Industrial Park	158,7 ha	215	75,000	8 – 12M	11,700	6km - 8 mins
3	Quang Chau Industrial Park	426 ha	166	59,000	8 – 12M	9,204	16km - 20 mins
4	Van Trung Industrial Park	350,3 ha	354	120,000	8 – 12M	18,720	11km - 15 mins
5	Hoa Phu Industrial Park	207,45 ha	116	21,000	8 – 12M	3,276	35km - 50 mins
6	Viet Han Industrial Park	197,31 ha	Not yet active	67,000	8 – 12M	13,280	9km - 14 mins
7	Tan Hung Industrial Park	105,3 ha	Not yet active				14km - 25 mins
8	Yen Lu Industrial Park	377 ha	Not yet active				15km - 25 mins
9	Yen Son - Bac Lung Industrial Park	309,16 ha	Not yet active				27km - 40 mins
10	Other Industrial Parks		active				
<b>Total</b>				<b>437,000</b>		<b>71,000</b>	

Source: Bac Giang Province Department of Industry and Trade, Ministry of Labor, Invalids and Social Affairs in 2021

• The foreigner ratio is calculated based on the data from Bac Giang Province Department of Industry and Trade

# Average monthly income of foreign experts at industrial parks



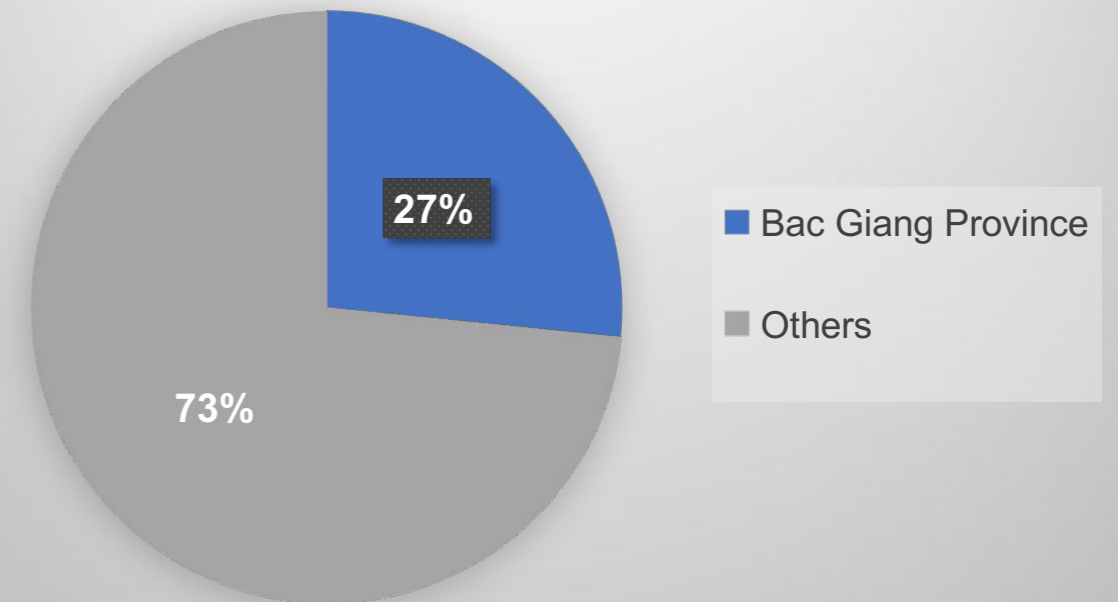
NO.	Expert – Manager level		Minimum Income USD	Minimum Income VND	Maximum income USD	Maximum income VND	Exchange rate USD/VND
1	CEO/General Director		3,000	70,500,000	5,000	117,500,000	23,500
2	Technique	Team Leader/Supervisor	1,000	23,500,000	1,700	39,950,000	23,500
		Manager	1,700	39,950,000	2,600	61,100,000	23,500
3	HR	Team Leader/Supervisor	1,100	25,850,000	1,500	35,250,000	23,500
		Manager	1,500	35,250,000	2,300	54,050,000	23,500
		Director/Head of Department	2,500	58,750,000	4,000	94,000,000	23,500
4	Products development	Team Leader/Supervisor	800	18,800,000	1,200	28,200,000	23,500
		Manager	2,150	50,525,000	3,500	82,250,000	23,500
5	Production	Team Leader/Supervisor	850	19,975,000	1,500	35,250,000	23,500
		Manager	1,700	39,950,000	2,600	61,100,000	23,500
6	Quality control	Team Leader/Supervisor	900	21,150,000	1,300	30,550,000	23,500
		Manager	1,500	35,250,000	2,700	63,450,000	23,500
7	Supply, logistics, warehousing	Team Leader/Supervisor	800	18,800,000	1,350	31,725,000	23,500
		Manager	1,600	37,600,000	2,600	61,100,000	23,500
		Director/Head of Department	2,500	58,750,000	3,500	82,250,000	23,500

## Major FDI enterprises are investing in Bac Giang

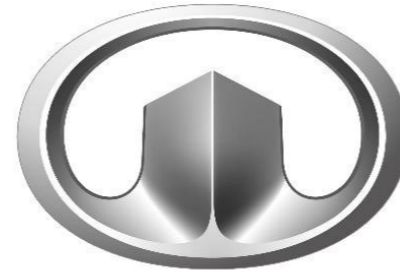
With the government's plan to develop Bac Giang province into a modern industrial province and a hub for goods transportation in the Northeast region of Vietnam, connecting with Guangxi and Yunnan provinces in China by 2030, large FDI enterprises have already established their factories in Bac Giang's industrial zones:

- Foxconn (Apple production) – Quang Chau Industrial Park
- LuxShare ICT (Apple production) – Quang Chau Industrial Park
- Samsung Electronics (Electronics, telecommunications) – Quang Chau Industrial Park
- Great Wall Moto (automobile) – Dinh Tram Industrial Park
- Sumitomo Electric (Electronics) - Van Trung Industrial Park

**Total FDI into Vietnam in the first 2 months of 2023 is 3.1B USD**

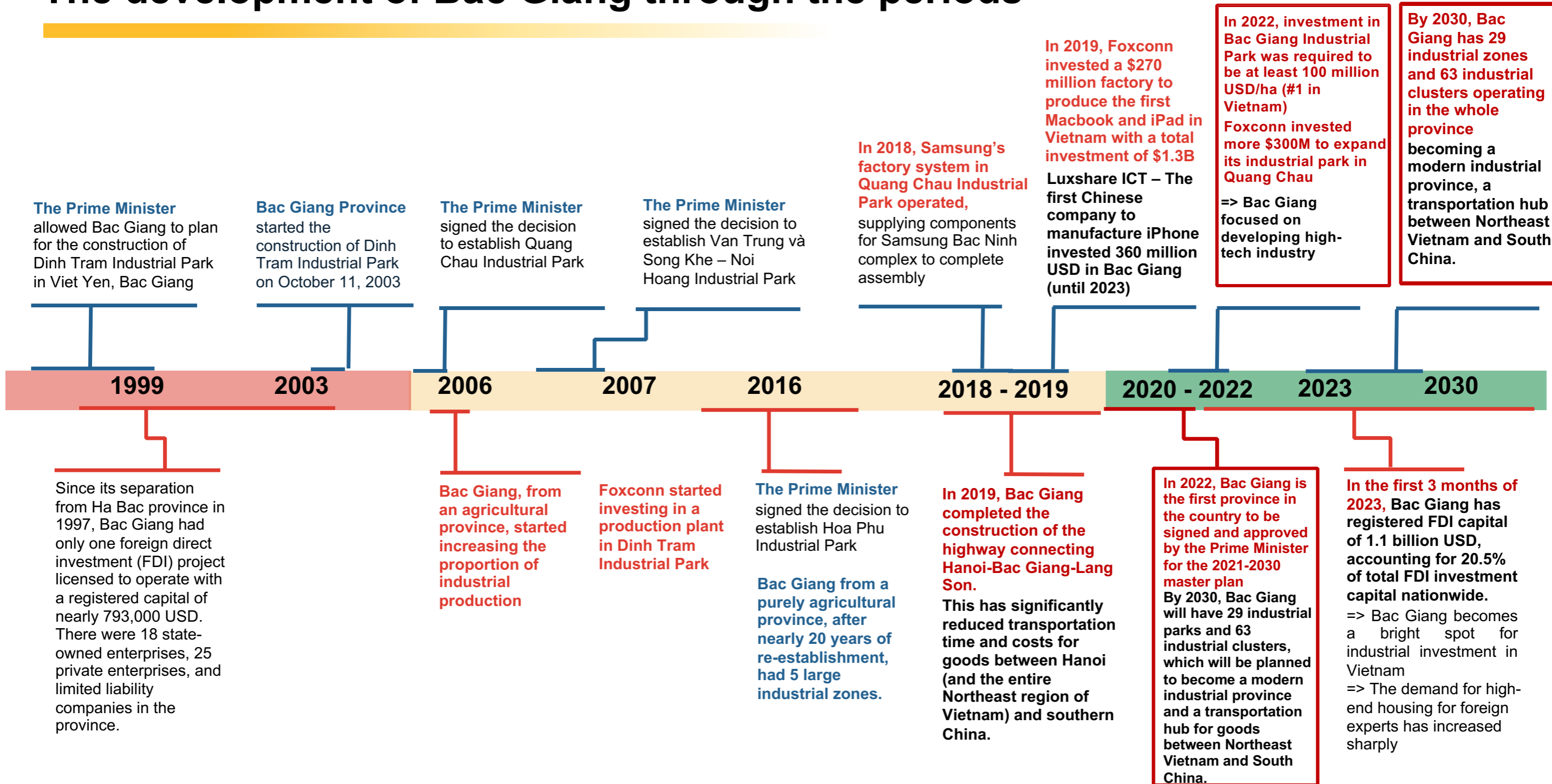


# Major FDI enterprises are investing in Bac Giang





## The development of Bac Giang through the periods



# Rent prices and expected profits of some projects



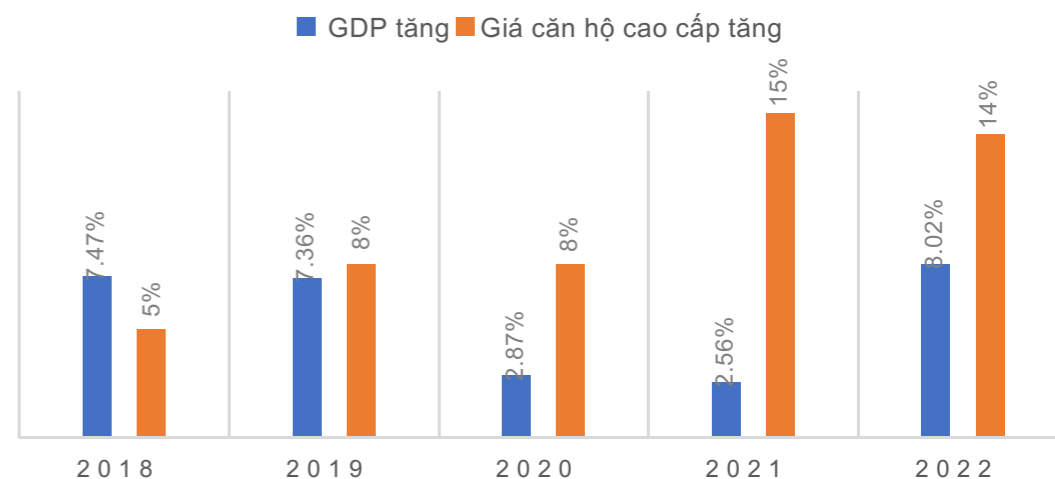
No.	Project	Type	Total investment capital (including furniture)	Rent price/month	Profit/year	Remark
1	Apec Aqua park	1 bedroom apartment 45m2	1.200.000.000	8 million/month	8%	<i>Tenants are mainly Korean and Chinese</i>
		2-bedroom apartment 68-74m2	1.700.000.000 2.000.000.000	10 – 14 million/month	8,1%	<i>New project handed over</i>
2	Diamond Hill	2-bedroom apartment 68-70m2	1.800.000.000 2.000.000.000	10 – 13 million/month	7,8%	<i>Studio Apartment</i>
3	Saigontel Central Park	1 bedroom apartment 41m2	1.050.000.000	7 million/month	8%	
4	Sky Tower	2-bedroom apartment 72m2	1.700.000.000	9-12 million/month	7,8%	<i>Estimated rental price</i>
		1 bedroom apartment 30m2	620.000.000	5 million/month	9,6%	
		2-bedroom apartment 47m2	960.000.000	7 million/month	8,8%	

# Comparing Vietnam's GDP growth rate with the real estate price growth rate in Bac Giang



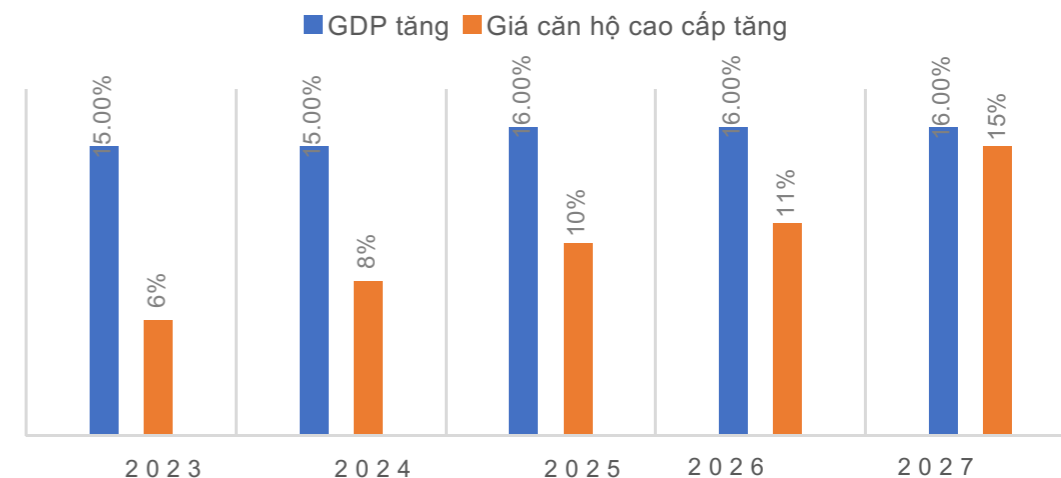
## VIETNAM'S GDP GROWTH – REAL ESTATE PRICE GROWTH (2018 - 2022)

TABLE COMPARING VIETNAM'S GDP GROWTH RATE WITH REAL ESTATE PRICE GROWTH RATE (2018 – 2022)					
	2018	2019	2020	2021	2022
GDP growth	7.47%	7.36%	2.87%	2.56%	8.02%
High-class apartment price growth	5%	8%	8%	15%	14%



EXPECTED TABLE OF GRDP GROWTH IN BAC GIANG WITH REAL ESTATE PRICE GROWTH (2023 – 2027)					
	2023	2024	2025	2026	2027
Expected GDP growth	15.00%	15.00%	16.00%	16.00%	16.00%
High-class apartment price growth	10%	10%	15%	20%	20%

## BAC GIANG'S GDP GROWTH – REAL ESTATE PRICE GROWTH (2023 - 2027)



Source: General Statistics Office of Vietnam, Batdongsan.com.vn

<https://laodong.vn/thoi-su/muc-tieu-2030-bac-giang-tro-thanh-tinh-cong-nghiep-theo-huong-hien-dai-1015844.ldo>

# Kirin Capital's point of view

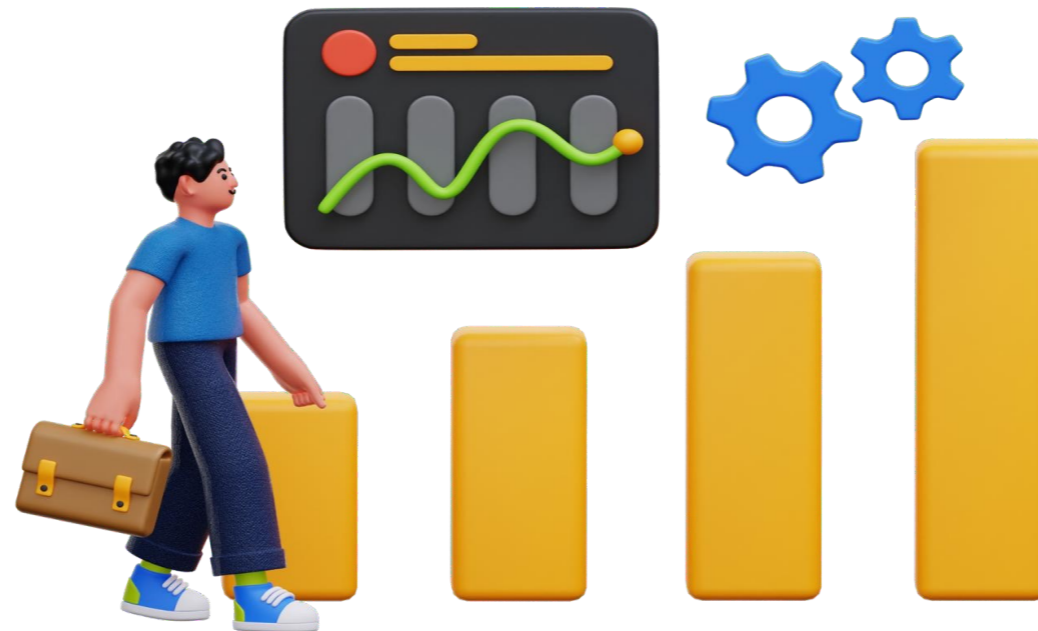


*Bac Giang Province is located in the core economic zone of the North and has been a leading modern industrial region in Vietnam. It has a synchronized industrial infrastructure and a comprehensive surrounding utility system, with a large industrial land area (four times those of Bac Ninh).*

*The price of industrial land is still relatively low, and the density of workers in the working age group is high. In the context of a historic shift and relocation of large industrial chains, Bac Giang is the only province having capability of receiving and becoming a new workshop hub for global giants.*

*With the strong development of the industrial sector in Bac Giang province, supporting real estate; service sectors for housing and related commerce have been promoted to meet the increasing demand of workers in industrial parks; domestic and foreign investors; managers and technical experts.*

*Kirin Capital believes that with the favorable factors of time, location, human resources, and prosperity, in the next 10 years, Bac Giang Province will create a miracle similar to the economic development of neighboring regions such as Shanghai and Shenzhen in China.*







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# THANKS FOR WATCHING

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The above is just part of Kirin Capital Real Estate Research Team's report. Thanks for your interest! If you want to see the full version, or have any cooperation, investment, and in-depth research, please contact us:

## CONTACT

**Address:** 12A Floor, TNR Tower, 54A Nguyen Chi Thanh, Lang Thuong Ward, Dong Da District, Hanoi, Vietnam

**Hotline:** +84 243 976 0666

**Email:** [kirincapitalcompany@kirincapital.vn](mailto:kirincapitalcompany@kirincapital.vn)

**Website:** <https://kirincapital.vn>



# OUR TEAM



**Ngo Thi Dung**

Managing Director of  
Real Estate Fund

[dungnt@kirincapital.vn](mailto:dungnt@kirincapital.vn)

+84 977 944 999



**Le Viet Dung**

Analyst

[dungbv@kirincapital.vn](mailto:dungbv@kirincapital.vn)

+84 973 669 550