

REAL ESTATE

Is Gulu City Uganda's most overlooked property market?

A post-conflict city torn by two decades of fighting, is rewriting its economic future through land, infrastructure, and urban growth.

Markets. |

DEOGRATIUS WAMALA

Gulu City, the commercial capital of Northern Uganda, is emerging as one of Uganda's most promising property markets.

Once defined by conflict during the Lord's Resistance Army (LRA) insurgency, the city is now undergoing rapid urbanisation, attracting investors, businesses, and developers.

Economists describe this kind of transformation as a reconstruction dividend, where economies recover after instability and previously idle land and labour begin contributing to growth.

Gulu reflects both the opportunities and challenges that accompany this transition.

The city's property boom accelerated after Gulu officially attained city status in 2020. Its boundaries expanded from about 55 square kilometres to nearly 255 square kilometres, incorporating areas such as Kolo, Bungatira, Ongako, and Unyama into the city's planning jurisdiction. This administrative shift immediately increased land values, a phenomenon economists call planning gain, where land appreciates because of government policy rather than physical improvements.

Arthur Abaho, a research associate at Knight Frank, notes that the years immediately following administrative reclassification often present the best opportunities for investors. Infrastructure is still developing, formal developers are only beginning to enter the market,

and many landowners continue pricing property according to its rural history rather than its future urban value.

This creates a temporary gap between current prices and long-term potential.

Land prices already show the effects of this transition. Property located nine or 10 kilometres from the city centre currently sells for around Shs30m per acre, relatively affordable compared to Kampala's satellite towns.

In more established neighbourhoods such as Pece and Laroo, a standard plot ranges between Shs50m and Shs300m, depending on accessibility and available infrastructure.

Prices generally decline with distance from the urban core, although appreciation is occurring steadily across the city.

Gulu's demographic growth also strengthens the market's appeal. Population growth, urban migration, and increasing economic activity continue to expand demand for housing, commercial property, and industrial space.

Abaho argues that city status merely accelerated trends that were already emerging because of geography and population pressure. Investors who delay entry until development becomes obvious may find that the best opportunities have already disappeared.

The market's deepest flaw

Despite its promise, Gulu's property market faces serious structural challenges, particularly regarding land ownership. More than 90 percent of land in



Gulu's expanding roads, youthful population, and affordable land are transforming the post-conflict northern Ugandan city into one of East Africa's most promising property markets. PHOTO/FILE

the Acholi sub-region remains under customary tenure, meaning it is communally owned, clan-managed, and largely unregistered.

Although the Constitution recognises customary ownership as legally valid, customary land lacks the clear documentation associated with freehold titles. This creates uncertainty for buyers, banks, and developers. The legacy of conflict worsened these problems.

Years spent in internally displaced persons camps disrupted traditional systems of land administration.

Boundaries disappeared, elders with historical knowledge died, and returning families often found their ancestral land occupied or disputed. As a result, land conflicts remain common, and fraudulent transactions continue to occur.

Abaho warns that many investors underestimate the risks of relying on verbal assurances or local familiarity.

Sellers may lack the authority to sell land, while buyers often have limited legal protection after disputes emerge.

Because of this uncertainty, investors either demand higher returns to compensate for the risk or avoid the market altogether.

Government efforts to address these issues remain incomplete. In 2024, Parliament discussed establishing a National Customary Land Registry to reduce land grabbing and improve documentation.

At the same time, government suspended the conversion of customary land into freehold titles in Acholi pending investigations, adding new uncertainty to an already complicated environment.

Experts argue that stronger land registration systems would unlock significant investment.

Rwanda's land reforms are frequently cited as evidence that formalising ownership can increase land values, improve access to credit, and stimulate development. In Gulu, investors are strongly advised to conduct extensive due diligence, including working with licensed surveyors and experienced land lawyers before purchasing property.

The infrastructure premium

Urban economists emphasise that accessibility determines how cities expand, and Gulu's growth clearly follows this pattern.

The city currently has just over 51 kilometres of paved roads, while more than 100 kilometres remain unpaved.

Every new tarmac road improves accessibility, reduces transport costs, and increases nearby land values.

Satellite imagery between 2017 and 2020 showed that Gulu's urban expansion occurred primarily along major road corridors.

Two major Chinese-funded road projects, covering more than 50 kilometres, are currently under construction.

Their completion is expected to connect outer sub-counties more closely to the city centre and further increase land prices along those routes.

Abaho believes investors who identify future infrastructure corridors early are positioned to benefit most. Purchasing land before road construction is com-

Key data

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pleted allows buyers to capture the appreciation created by improved connectivity. Because these projects already have financing and contractors on site, they represent more than speculative government promises.

The rational investor looks for

Several opportunities currently stand out in Gulu's market. Land banking along infrastructure corridors remains one of the most attractive long-term strategies.

Areas recently incorporated into the city are still relatively cheap but are expected to appreciate as urban growth spreads outward.

Industrial and logistics property also presents significant potential. Gulu's strategic position near the South Sudan border makes it an important hub for regional trade. Yet warehouses, freight facilities, and industrial spaces remain underdeveloped relative to demand.

Perhaps the most important opportunity lies in affordable housing. Gulu's growing population of professionals, civil servants, and NGO workers requires secure, modern rental accommodation that remains scarce.

Residential property prices have been rising steadily, suggesting demand continues to outpace supply. Analysts believe developers focusing on affordable mid-market housing are likely to benefit most from the city's long-term expansion.

However, experts caution against overbuilding luxury estates or premium office space. While Gulu's economy is growing, purchasing power remains limited.

Successful investment in the city depends on understanding local income levels, infrastructure patterns, and the realities of a market still transitioning from post-conflict recovery to sustained urban development.

For informed investors willing to navigate tenure complexities and conduct proper due diligence, Gulu offers a rare combination of affordability, demographic growth, and infrastructure expansion. The city remains early in its development cycle, meaning opportunities available may become costlier over time.

Complex

'The tenure landscape in Acholi is genuinely complex, shaped by decades of displacement.'