

Gulu City

Northern Uganda's Regional Hub

DISCOVER. CONNECT. INVEST.



FLAGSHIP
MARKET
OUTLOOK

Executive Summary

Gulu is no longer an emerging city. This report marks the first institutional-grade real estate market analysis of Northern Uganda's fastest-growing urban economy. Driven by rapid urbanisation, expanding infrastructure, and its strategic position as Uganda's gateway to South Sudan and the Democratic Republic of Congo, Gulu is transitioning from a post-conflict recovery economy into a private sector-led growth hub. This shift is fundamentally reshaping demand across residential, commercial, hospitality, and logistics real estate.

Knight Frank's analysis indicates that Gulu is entering the critical inflection phase, the stage at which informal and fragmented real estate markets begin to formalise, creating outsized opportunities for early, well-structured capital.

THREE STRUCTURAL DYNAMICS UNDERPIN THIS TRANSITION:

- Urbanisation is accelerating ahead of supply, particularly in middle- and high-income residential segments.
- Infrastructure is arriving ahead of real estate, creating a timing arbitrage for investors.
- Cross-border trade is redefining Gulu as a logistics and commercial gateway, not just a regional town.

As a result, the city presents a first-mover advantage across multiple asset classes, particularly in:

- Mid-to-high end residential developments
- Grade B+ and institutional office space
- Logistics, warehousing, and industrial parks
- Modern retail and mixed-use schemes

The question is no longer whether Gulu will grow, but who will shape its growth.

Gulu City, located in Northern Uganda's Acholi region, has emerged as a vital economic hub driven by its strategic location, growing population, and rapid urbanization.

Gulu City has a rich history and has undergone significant transformations over time. Gulu City's transformation from a small town in the 1990s to a vibrant city in 2024 is a testament to its resilience and economic growth.

Gulu has become the commercial Centre of the Acholi sub-region, rising from the challenges of conflict to embrace a future of economic prosperity. Gulu became a Town Council in 1974 under the Urban Authority Act of 1964 and was declared a Municipality in 1977 before transitioning into a City through an Act of Parliament on July 1, 2020.

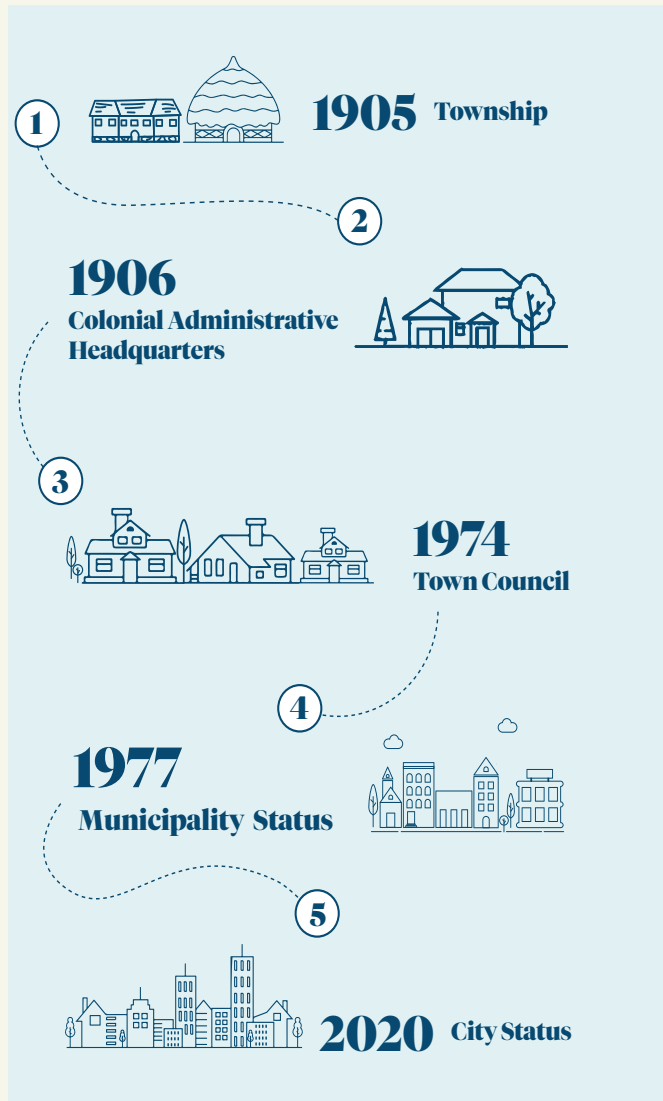


Figure 1: Gulu city through the lens of time

Rising from the challenges of conflict to embrace a future of economic prosperity

The Knight Frank View

WHAT THIS MARKET REALLY IS

Gulu today is where frontier African cities transition from aid-driven demand to private sector-driven real estate markets. This distinction is critical. Historically, demand has been anchored by NGOs, Government institutions and humanitarian activity, however, we are now observing increased growth in local enterprise and services sector demand, increasing consumer sophistication, and early signs of a formal middle-income housing market. Cities at comparable stages of urban transition have historically seen stronger relative performance from professionally delivered real estate versus informal stock. Gulu's current trajectory places it at precisely this inflection point.

About Gulu City

Table 1: Key facts about the city

PARAMETER	DESCRIPTION
Location	Acholi Region, Northern Uganda
Google Coordinates	2°46'48N, 32°18'00E
Population- 2024 Census	232,723 people
Total Size	222 square kilometres
Accessibility	Kampala-Gulu Highway
Distance from Kampala Capital City	330 km
Travel Time	8 Hours
Commercial Land prices	UGX 1.5 billion – UGX 3.5 billion per Acre
No. of Households (2024 Census)	58,727
Average Household Size (2024 Census)	3.9
Development Status	Gulu City is urbanising rapidly, emerging as the economic hub for Northern Uganda.
Economic uses	<p>The city comprises various economic uses, including,</p> <ul style="list-style-type: none"> • Trade and Commerce • Services Sector • Agro-processing • Manufacturing and processing • Tourism • Education and Health Services • Construction
Notable Features	<ul style="list-style-type: none"> • Bank of Uganda Currency Centre • Gulu University • Gulu Airfield • University of the Sacred Heart • Gulu Regional Referral Hospital • Gulu Logistics Hub

Source: Knight Frank

Population And Economic Overview

ADMINISTRATIVE UNITS

Gulu City comprises 2 divisions, Laro-Pece and Bar-Lege Layibi with each division divided into wards.

CITY POPULATION

Gulu City has witnessed substantial population growth over the past few decades. From 2002 to 2014, the population cumulatively grew by 27.5% (119,430 people to 152,276)[Uganda Bureau of Statistics (UBOS)] followed by a further 52.8% growth from 2014 to 2024, bringing the current population to 232,723. This steady upward trajectory is fuelled by urbanization, economic

opportunities, and Gulu's increasing importance as a commercial hub in Northern Uganda.

Gulu's population growth trajectory is not just strong, it is structurally transformative as has been illustrated below.

- **Rapid expansion (1991–2002):** conflict-driven displacement
- **Stabilisation (2002–2014):** post-conflict recovery
- **Acceleration (2014–2024):** economic-led urbanisation

We believe Gulu has now transitioned into a consumption-driven urban economy, which is the phase where housing demand deepens, retail formalises, and office demand professionalises.

Table 2: History of Gulu City

PERIOD	ACTIVITY
Pre-Colonial Era - Early Settlements	Inhabited by the Acholi people, Traditional homesteads and agricultural practices
Colonial Period	
British Influence (1894-1962):	Administrative Centre - infrastructure, such as roads and administrative buildings, established.
Missionary Activities (Early 1900s):	Missionaries established schools and hospitals.
1905 -Gulu declared a township	Facilitating communication between settlers, exchange, and transshipment of agricultural produce of the northern Uganda region.
Post-Independence (1962 onwards)	Economic Growth: Gulu continued to grow as a commercial hub.
1974	Gulu granted Town Council Status
1977	Gulu was elevated to municipal status, reflecting its increasing importance and development.
Conflict and Recovery (1986-2006):	Gulu was significantly affected by the Lord's Resistance Army (LRA) insurgency led by Joseph Kony. The conflict caused displacement and suffering for many residents
Urbanization – (2000 onwards)	Improvements in infrastructure, including roads, healthcare facilities, and educational institutions
2020	In July 2020, Gulu was officially granted city status, marking a significant milestone in its development.
2024: A Growing Urban Economy	Today, Gulu City stands as an emerging economic hub. Its commercial sector continues to grow, fueled by trade, education, and a budding tourism industry capitalizing on its cultural heritage. The city's post-conflict recovery has paved the way for continued infrastructure development, setting the stage for future growth.

Source: Knight Frank

Economy

Trade is the largest contributor to Gulu City's economy at 42.9%, followed by Services (35.9%), Agriculture (14.2%), Manufacturing (5.9%), and Construction & Real Estate (1.1%), underscoring Gulu's dynamic commercial character and strong investment potential.

We provide below a breakdown of Gulu City's economy by sector

Infrastructure

THE HIDDEN ALPHA

Gulu's infrastructure pipeline is not just supportive, it is market-shaping, and the key drivers are:

- Kampala–Gulu highway connectivity
- USMID / UCMID road upgrades
- Gulu Airfield
- Tororo–Gulu railway rehabilitation
- Gulu Logistics Hub (24 hectares)

Clearly, infrastructure in Gulu is arriving ahead of real estate development, not behind it. This is critical for any investor because it creates a timing arbitrage, but how so?

I. Land values have not yet fully priced in infrastructure.

II. Rental markets are still inefficient.

III. Early entrants capture both yield and capital appreciation.

UCMID: The Next Infrastructure Wave

Building directly on USMID's decade of delivery, the World Bank approved the Uganda Cities and Municipalities Infrastructure Development (UCMID) programme in March 2026, a \$540 million (approximately UGX 2 trillion) six-year investment running from 2026/27 to 2030/31. Gulu City is one of only 10 cities in Uganda named as direct beneficiaries, alongside Arua, Fort Portal, Hoima, Jinja, Lira, Mbale, Mbarara, Masaka, and Soroti.

UCMID: A CATALYST FOR GULUCITY'S NEXT PHASE?

The programme is designed to expand access to climate-smart roads, storm water drainage, street lighting, public markets, and urban amenities.

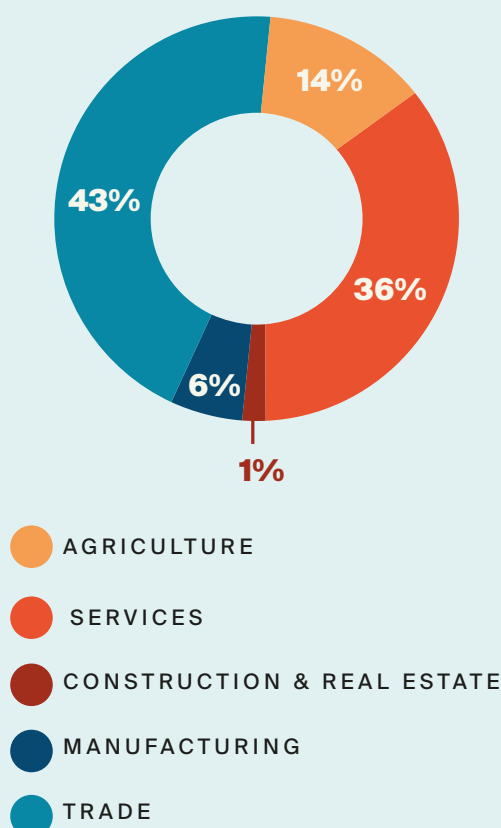
Critically, it also targets job creation, with at least 40,000 direct jobs

expected nationally, including 20,000 permanent roles in urban services and operations Under UCMID, Gulu City is earmarked for the upgrading of 28 roads to bitumen standard — one of the most significant single-city road programmes in the country's history.

For real estate investors, this is the critical signal: infrastructure in Gulu is not only arriving ahead of development, it is now confirmed and funded for the next six years. Land values have not yet priced in UCMID. Rental markets remain inefficient. This is the window in which first-mover investors capture both yield and capital appreciation before the market fully reprices.

Source: World Bank Project P181324 - Uganda Cities and Municipalities Infrastructure Development (UCMID), March 2026.

Figure 2: Major Economic Activities within Gulu City



Source: Ministry of Finance, Planning and Economic Development (MoFPED)

Transport Infrastructure.

Gulu City’s transport infrastructure is anchored by the Kampala-Gulu Highway, a 330 km road linking it to the capital, Kampala, Gulu-Nimule Road -Linking Uganda to the border with South-Sudan and Gulu – Kitgum road. Within the city, key roads like Labor Line Road, Cemetery Road, Acholi Lane, Alokolum Road, and Ring Road have been newly constructed under the Uganda Support to Municipal Infrastructure Development (USMID)[USMID Program-Ministry of Lands, Housing and Urban Development] Program, providing modern, expansive two-lane routes.

Gulu also benefits from the Gulu Airstrip, located 3 km northwest of the central business district. It facilitates domestic and cross-border traffic, making it a strategic hub for trade and transportation in northern Uganda. The well-developed road network of Gulu City has facilitated the easy movement of people, goods, and services, accelerated business growth, and contributed to the rapid urbanization of the city.

Utilities and Services.

Gulu City has made significant strides in improving essential services. Water supply is primarily sourced from the Gulu Water Supply System, although occasional shortages occur during dry seasons.

The Karuma–Gulu Water Supply and Sanitation Project has now been completed, delivering a 70.5-kilometre transmission pipeline drawing from the River Nile at Karuma to a new reservoir at Customs Corner in Gulu City. Implemented by NWSC with co-funding from the World Bank and KfW at a cost of approximately Shs 170 billion, the project adds 10 million litres of water daily to Gulu’s supply, more than doubling previous capacity. For real estate developers, this removes one of the most cited constraints on large-scale residential, hospitality, and industrial development in the city.

The Uganda Electricity Distribution Company supplies electricity, and efforts are ongoing to expand coverage. Telecommunications are robust, with major providers, such as MTN and Airtel, ensuring widespread mobile network access and internet connectivity, though service quality can vary in more remote areas.

Table 3: Summary of property rental fees

PROPERTY TYPE	RENTAL FEES (MONTHLY)
1. Residential Units	
• 1-Bedroom	UGX. 250,000 – UGX. 500,000
• 2-Bedroom	UGX. 500,000 – UGX. 1,200,000
• 3-Bedroom	UGX. 1,000,000 – UGX. 3,500,000
2. Office	\$10 - \$12 per sqm.
3. Retail	\$10 - \$15 per sqm.
4. Warehouse rental rates	\$2 - \$2.5 per sqm.
5. Lodges/ motels (per night)	UGX. 30,000 – UGX 100,000
6. Commercial Land-CBD	UGX. 1.5 billion – 3 billion/ acre
7. Commercial Land-Out of the CBD	UGX 250 million – 500 million/acre
High-End Hotels	\$50 - \$150 per night
9. Airbnb	
• 1-Bedroom	\$10 - \$40 per night
• 2-Bedroom	\$21 - \$57 per night
• 3-Bedroom	\$38 - \$80 per night
• 4-Bedroom	\$40 - \$171 per night
• 5-Bedroom	\$60 - \$200 per night

Source: Knight Frank

The well-developed road network of Gulu City has facilitated the easy movement of people, goods, and services, accelerated business growth, and contributed to the rapid urbanization of the city.

Key Economic Drivers Underpinning Gulu City's Investment Case

STRATEGIC LOCATION: Gulu City's position as the northern gateway to South Sudan and the Democratic Republic of Congo (DRC) offers unique cross-border trade opportunities, making it a critical logistics and commercial hub for investors looking to access regional markets.

STRONG CULTURAL HERITAGE: As the cultural capital of the Acholi region with notable features like Guru Guru Hills and Caves, TAKS Art Centre, Gulu offers rich cultural experiences and opportunities for cultural tourism, arts, and heritage-based businesses, making it an appealing investment area for the tourism and hospitality sectors.

INDUSTRIAL AND AGRICULTURAL POTENTIAL: Gulu's fertile land and strategic location as a gateway to the rest of Northern Uganda, South Sudan and the Democratic Republic of Congo (DRC) make it a promising area for agro-industrial ventures. Its proximity to large agricultural zones presents opportunities in processing, value addition, and agricultural exports.

GROWING INFRASTRUCTURE DEVELOPMENT: The City has benefited from significant infrastructure improvements, particularly through road upgrades under the government's USMID programme. Looking ahead, the city is a named beneficiary of the newly approved UCMID programme (\$540 million, World Bank, 2026–2031), which will further expand climate-smart urban infrastructure. Complementing this, the ongoing rehabilitation of the 375km Tororo-Gulu metre gauge railway passing through Mbale, Kumi, Soroti, and Lira before terminating at the Gulu Logistics Hub will strengthen regional connectivity and logistics capacity, positioning Gulu as a strategic transport hub. Together, these infrastructure investments are expected to stimulate industrial growth and generate strong demand for warehousing, commercial spaces, and residential housing, making Gulu an increasingly compelling destination for real estate investors.

Adding to this momentum, the Gulu Modern Market in Bardege-Layibi Division is currently under construction by the National Housing and Construction Company, funded under a UNCDF and Swiss Agency for Development initiative targeting urban economic inclusion. A second market is simultaneously under development in Pece-Laroo Division. Formal markets are significant urban anchors: they strengthen SME clustering, improve local supply chains, and generate sustained footfall that supports surrounding commercial and logistics demand

STRONG NGO AND DEVELOPMENT AGENCY PRESENCE: Gulu hosts many international NGOs such as the United Nations High Commission for Refugees (UNHCR), the World Food Program (WFP), and development agencies like Center for Entrepreneurship and Economic Development [CEED] among others.

This network of multinational organizations creates opportunities for the supply of high-end real estate developments like office space and high-end residential properties for expatriates.

URBANIZATION: Between 2017 and 2020, Gulu City expanded from 12.3 km² [Digital Earth Africa-Monitoring Urbanisation in Gulu City, Uganda] to 16.6 km², primarily along the Kampala-Gulu Highway. This urbanization is driving demand for housing, office space, and commercial properties, spurring real estate development. Investors are increasingly interested in residential estates, retail complexes, and mixed-use developments, capitalizing on Gulu's growing urban landscape and business activity.

THE REFUGEE ECONOMY: A STRUCTURAL DEMAND DRIVER: Uganda hosts one of the largest refugee populations in the world, over 1.7 million people with the majority located in Northern Uganda districts surrounding Gulu, including Adjumani, Arua, Lamwo, Kiryandongo, and Yumbe. Gulu functions as the primary service, logistics, and commercial hub for this entire corridor. This creates a distinctive and durable demand base for real estate in Gulu.

The practical real estate implications are significant. Humanitarian and development organisations operating in the refugee corridor require offices, staff accommodation, warehousing, and logistics facilities, almost all of which are sourced from Gulu. This underpins demand for Grade B+ office space, apartment units, and industrial/warehousing properties in a way that is largely independent of broader economic cycles.

THE UNIVERSITY ECONOMY: AN UNDERAPPRECIATED DEMAND DRIVER:

The University Economy: An Underappreciated Demand

Driver: Gulu University represents a significant but underappreciated source of real estate demand in the city. Drawing students and academic staff from across Northern Uganda and beyond, the university generates consistent, captive demand for affordable student housing, mid-range staff accommodation, and campus-adjacent retail, yet no meaningful formal student housing market currently exists in Gulu. For developers, this is a high-potential, zero-competition opportunity mirroring the same gap that has driven successful purpose-built student accommodation investments in Kampala City.

Market Structure WHERE THE GAPS REALLY ARE

Gulu City's real estate landscape is rapidly evolving, offering diverse opportunities across commercial, residential, industrial, and hospitality sectors. The city's strategic position as a gateway to South Sudan and the DRC, along with its growing population, is driving demand for all types of properties.

Residential Sector

THE MOST UNDERSUPPLIED SEGMENT

Current Reality:

- Severe shortage in mid-to-high income housing
- Dominance of low-quality, single-storey units
- Minimal formal development pipeline

Our view is that this is not just a housing gap, it is a pricing opportunity. Said differently, the absence of high-end stock in Gulu is not a gap, it is a margin.

The Opportunities lie in.

- Gated communities
- Serviced apartments
- Entry-level condominiums (first mover advantage)

Residential Demand and Supply

There is a clear demand-supply imbalance in Gulu's residential real estate market with demand greater than supply especially in the middle to high income segment. Residential land prices outside the City Centre range from UGX 40 million to UGX 200 million per acre, reflecting the increasing interest in suburban developments.

Many potential homeowners are gravitating towards the periphery, seeking more affordable land options. However, the supply of residential units is limited, particularly in the middle to high-end income segment, which remains undersupplied. While there are some high-end residential developments in the city, the overall stock is inadequate to meet the growing demand for quality housing, especially in the city Centre. This demand stems from employees of different ministerial departments and agencies, NGOs and firms in the services sector such as banks and telecom companies among others

Opportunity & Demand Drivers

Gulu City offers substantial opportunities in the residential housing market, driven by a growing urban population and evolving housing preferences.

The demand for affordable housing remains significant, presenting opportunities for developers to bridge this gap.

On the high-end spectrum, the city lacks adequate prime residential stock, despite a steady growth of expatriates and professionals seeking good quality accommodation. Furthermore, there is currently no evidence of construction of condominium apartments for sale, offering pioneering developers a unique opportunity to introduce this housing model to the Gulu market.

Additionally, there is untapped potential for housing developments targeting young professionals and families.

Developers who cater to this segment can enhance the diversity of housing options in the city, contributing to a more vibrant and balanced residential market.

Figure 2: Annual Population Trend

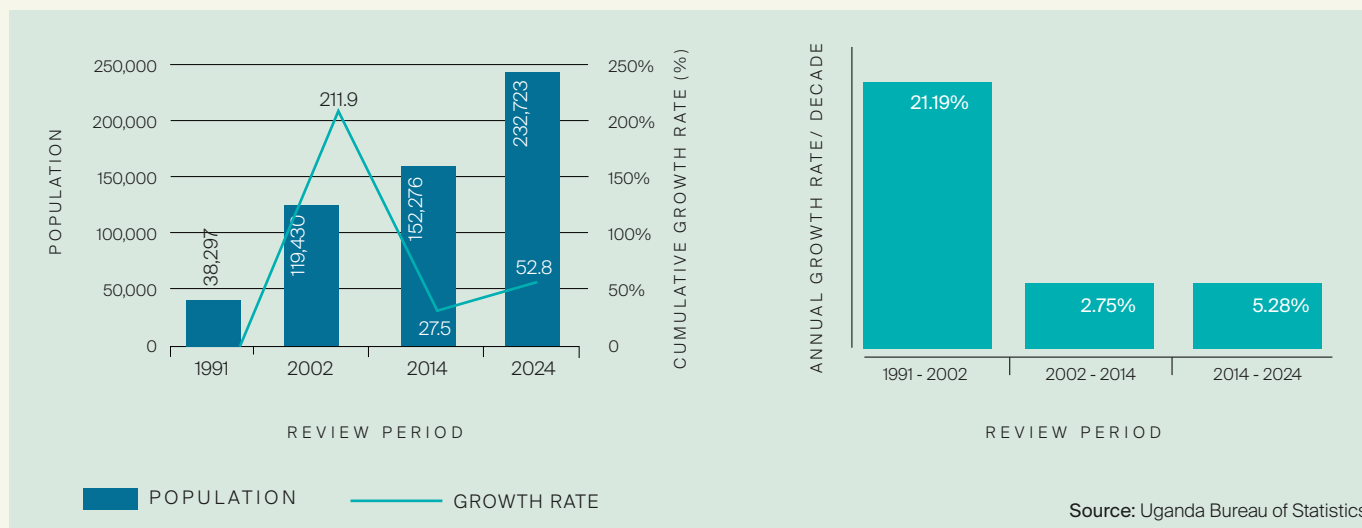


Table 4: Residential Market Segmentation

SEGMENT	PRIMARY DEMAND SOURCES	INVESTMENT FORMAT
Executive / Expatriate	NGOs (UNHCR, WFP), bank & telecom staff, government officials	Serviced apartments, gated units
Mid-income Professional	Salaried professionals, SME owners, diaspora returnees	Apartment Units, townhouses
Student / Academic	Gulu University, University of the Sacred Heart Gulu, health institutions	Purpose-built student accommodation
Affordable Workforce	Teachers, health workers, civil servants, logistics workers	1-2 bed rental blocks



Gulu City Road Network. Photo courtesy of Google.

Retail Property

INVESTMENT - A STRUCTURAL MISMATCH

The current reality in the retail sector is that legacy Indian-style retail dominates the city with poor parking infrastructure, and there is limited modern retail formats in the market. The insight from this finding is that retail in Gulu is supply-led, not demand-led, and that imbalance is breaking, because consumers are evolving faster than retail formats.

Where the Opportunities lie:

- Neighbourhood retail centres
- Parking-integrated retail
- Mixed-use developments

The Investment Call here is for well researched, planned and located retail property, which will ensure high upside if done well.

A significant challenge in the retail sector is the lack of adequate parking spaces in most retail centres. This issue persists even with new developments, where car owners are often required to park along roadsides, creating inconveniences and reducing the appeal of these properties for both tenants and shoppers.

RETAIL DEMAND AND SUPPLY:

Retail space in Gulu City remains in high demand, particularly in the city centre, where commercial activity is concentrated.

However, the supply of modern retail spaces is limited, and many retail centres do not have adequate parking facilities, which often leads to parking congestion along the roadside. Retail rental fees in Gulu range from \$10 - \$15 per square meter per month, reflecting the growing interest in prime commercial locations. Despite the

demand, many of the newer retail spaces, especially those emerging on the outskirts of the city, still face challenges in meeting the full requirements of the market, particularly in terms of accessibility and sufficient parking.

Opportunity: There is a significant opportunity to develop modern, multi-storied commercial buildings within Gulu City.

The inclusion of adequate parking facilities in such developments would address a critical need in the retail sector, enhancing their attractiveness to businesses and shoppers alike.

The emergence of shopping centres such as Gulu City Mall and Landmark Mall underscores the growing appetite for modern commercial infrastructure. Investors can tap into this trend by focusing on innovative retail developments that cater to the city's increasing urbanization and economic growth. By fostering a vibrant and business-friendly environment, developers stand to benefit from the city's evolving retail sector and its potential to drive sustained economic activity.

Gulu City has emerged as the commercial hub of Northern Uganda and thus presents compelling investment opportunities in its growing retail sector. As the region recovers from past disruptions and embraces rapid urbanization (5.28% annual urbanization rate), demand for organized retail spaces, such as shopping malls, supermarkets, and convenience centres, has surged.

A rising middle class, increased consumer spending, and improved infrastructure, including better road networks and electricity access, have made Gulu an attractive destination for both national and regional retail brands. Opportunities exist particularly in developing modern retail complexes, mixed-use developments, and neighborhood shopping centers to serve the city's expanding residential areas and the broader Northern Uganda market.



A retail section of Gulu City. Photo courtesy of Google.

Office Property

INSTITUTIONAL DEMAND, INFORMAL SUPPLY:

The current reality in this sector is that demand is driven by NGOs, government, and private sector, secondly, supply dominated by small, mixed-use units, and there is limited purpose-built office space. This led to our insightful observation that Gulu has institutional tenants, but not institutional-grade buildings.

Where the Opportunities lie:

- Grade B+ office developments
- Flexible workspace environments
- Multi-tenant office parks

OFFICE DEMAND AND SUPPLY: Demand for office space within Gulu City is majorly from NGOs, multinational organizations, government agencies, parastatals, firms in the services sector such as bank and telecom companies and startups.

While most of the government agencies have built their own office premises, there is a persistent demand for office space from other players such as NGOs and organisations in the services sector (banks, telecom companies, microfinance institutions and law firms among others).

Similar to the retail sector, there is significant demand for office spaces, particularly units ranging from 15-30 sqm, to cater to startups and small businesses. The majority of the office space is provided in mixed-use developments with occupancy levels above 85% and rental prices averaging \$12 per square meter per month. Some of the Key commercial mixed-use developments include Gulu City Mall and Landmark Mall. This appetite is further evidenced by a UGX 5 billion shopping complex launched in August 2025 by GASMART Investment Ltd on a centrally located site between Acholi Road and Cemetery Road in Nakasero, Pece-Laroo Division. The land was provided by the Uganda Muslim Supreme Council.

Table 4: Sample Government and Non-Governmental Offices in Gulu City

ORGANIZATION	TYPE
Directorate of Citizenship and Immigration Control – Ministry of Internal Affairs (Regional Office)	Government
Public Procurement and Disposal of Public Assets Authority (PPDA) – Regional Office	
Office of the Prime Minister – Gulu Regional Office	
Ministry of Justice and Constitutional Affairs – Regional Office	
Uganda Registration Services Bureau (URSB) – Regional Office	
Tax Appeals Tribunal – Regional Office	
Ministry of Gender, Labour and Social Development – Regional Technical Support Office	
Post Office – Regional Branch	
Regional Police Headquarters	
Uganda Prisons Service – Regional Prison Commander	
Gulu Regional Blood Bank – Ministry of Health	
Ministry of Lands, Housing and Urban Development – Regional Office	
Uganda National Roads Authority (UNRA) – Regional Office	
Ministry of Works and Transport – Regional Office	
Uganda Driver Licensing System Office (JDLS)	
The Judiciary – Gulu High Court Circuit & Chief Magistrates Court	
Bank of Uganda, Gulu	
Uganda Human Rights Commission – Regional Office	
Ithuba Uganda	Humanitarian
Safe World – Regional Office	
United Nations World Food Programme – Regional Office	
The AIDS Support Organization (TASO) – Regional Office	
Whitaker Peace & Development Initiative – Country Office	Private
The Innovation Village – Regional Branch	
Uganda Management Institute (UMI)	Private

Source: Knight Frank

OPPORTUNITY & DEMAND DRIVERS: The persistent demand for office space in Gulu presents a significant opportunity for developers to construct dedicated modern office buildings in Gulu City. Investments in larger office spaces, designed to meet the needs of government agencies, international organizations, and corporate tenants, could fill the existing gap in the market.

Additionally, incorporating amenities such as secure parking, flexible layouts, and professional-grade infrastructure would enhance the appeal of such developments. With Gulu City's growing prominence as a regional hub, investing in high-quality office space could capitalize on the city's urbanization and economic growth while fostering a thriving business environment.



There is a significant opportunity to develop modern, multi-storied commercial buildings within Gulu City

**\$10-12
Per SQM**

Average Commercial Office rental rates

Hospitality Sector

UNDERBUILT FOR ITS POSITION

Our findings on the hospitality sector revealed that Gulu city is.

- Dominated by low-end lodges.
- Limited high-quality hotels and
- Growing Airbnb trend

In this regard and with references to this sector, Gulu functions as a regional hub, but is priced like a transit town.

The opportunities here are in

- Mid-tier business hotels
- Conference-enabled hospitality and
- Branded short-stay accommodation

Hospitality Demand and Supply: The hospitality sector in Gulu City is experiencing growth, with hotel rack rates ranging from \$30 to \$150 per night, and high-end options averaging \$72 per night for up to two people per room. Despite this, the city still lacks sufficient high-end hotels to fully meet the growing demand from both tourists and business travelers. Additionally, there is a rising trend of homeowners converting their properties into Airbnb rentals, taking advantage of the increasing

influx of tourists. Airbnb rental rates range from \$10 for a one-bedroom to \$200 for a five-bedroom unit. This trend highlights a growing demand for short-term accommodation, though the supply of well-maintained and high-quality units remains limited, especially in the high-end segment.

Opportunity and Demand Drivers: Within the existing lodges and motels in the city, there is an opportunity to upgrade and reposition some facilities to appeal to mid-range and high-end customers. Enhancements could include improving room quality, offering additional amenities, and incorporating conference facilities to attract business travelers.

Additionally, Gulu City's proximity to national parks and cultural sites such as Ajaj Wildlife Reserve, Aruu Falls and Fort Patiko presents untapped potential in the tourism and hospitality sectors. Despite its tourism appeal, the city lacks high-end hotels, lodges, and restaurants capable of serving the increasing number of tourists.

Developers and investors can seize this opportunity by introducing luxury accommodations and fine dining establishments, further enhancing the city's hospitality landscape. These investments would not only position Gulu as a key tourism and business hub but also drive economic growth, create employment opportunities, and support the city's broader growth prospects.



Secure parking, flexible layouts, and professional-grade infrastructure would enhance the appeal of such developments.



15-30sqm

Significant demand for office spaces, particularly units ranging from 15-30 sqm

Table 5: Key Tourism Places and Hotels in Gulu City

KEY TOURISM PLACES
Fort Patiko
Guru Guru Hills and Caves
Ajaj Wildlife Reserve
Amuru Hot Spring
TAKS Art Centre
The Recreation Project
Peace Museum
Wi-Polo Martyrs Shrine
Mount Otzi and Otzi Forest
Aruu Falls
Gulu Museum
KEY HOTELS
Bomah Hotel
Northern Pearl
Kacoke Madit Hotel
Acholi Inn Hotel
Churchill Courts Hotel
Bethel Resort and Hotel
African Roots Guesthouse
White Castle Hotel
Wellspring Hotel
Hotel Free Zone & Kakanyero Hotel

\$200

Airbnb rates range from \$10 for a one-bedroom to \$200 for a five-bedroom unit



Proximity to national parks and cultural sites such as Ajaj Wildlife Reserve, Aruu Falls and Fort Patiko presents untapped potential

Industrial Sector

THE DEFINING SECTOR

Gulu City has consolidated its position as Northern Uganda’s primary industrial and logistics hub, anchored by its strategic location at the convergence of key trade corridors. As the region’s commercial centre, it serves as the principal node for freight handling, agro-processing, and cross-border distribution across a catchment economy that extends well beyond its city boundaries.

Gulu sits at the intersection of three trade corridors serving Northern Uganda, South Sudan, and the eastern Democratic Republic of Congo, yet the formal industrial real estate stock to service this trade remains critically underdeveloped. Prior to the Gulu Logistics Hub (GLH), the entire northern region depended on Kampala and Jinja for warehousing and distribution, adding cost, distance, and time to every transaction.

The scale of this trade base is significant. In January 2025, South Sudan emerged as Uganda’s top export market, with monthly export values reaching \$55.9 million, a 54% increase from December 2024. (Source: Bank of Uganda Monthly Trade Statistics, January 2025) Key commodity flows include cement, cereals, sugar, steel products, and manufactured goods. Gulu is the primary distribution node for these flows across both the Northern Corridor (Kampala–Gulu–Elegu/Nimule–Juba) and the Western DRC Corridor (Gulu–Pakwach–Goli/Vurra). Together these corridors underpin a structural, non-cyclical demand base for logistics real estate.

UIA GULU INDUSTRIAL PARK

(Pre-Development)

Gulu is among 25 locations nationally designated for a UIA industrial and business park under the government’s Vision 2040 industrialisation agenda. Land in the Acholi sub-region has been provided by local government, and masterplanning is underway with support from the Global Green Growth Institute (GGGI) and Mott MacDonald. While the park remains in the pre-development phase, its designation signals long-term government commitment to industrial investment in Northern Uganda and reinforces Gulu’s strategic positioning as a regional manufacturing and logistics centre.

THE GULU LOGISTICS HUB: OPERATIONAL INFRASTRUCTURE

The Gulu Logistics Hub is the largest logistics facility in Northern Uganda. Situated on 24 hectares in Layibi Division, directly adjacent to the Gulu railway station and connecting to the main arterials towards South Sudan and Kampala, the facility handles containers, break-bulk cargo, and storage, and accommodates freight forwarders, customs inspection, banking, and ICT services. With a stated capacity exceeding 500,000 containers per year, (Source: TradeMark East Africa/EU, 2020), the GLH decongests road corridors that previously channelled all Northern Uganda freight through Kampala’s logistics ecosystem. The Hub became operational in 2024. This is not a future infrastructure promise, it is present-day operational infrastructure whose full impact on land values and rental yields has not yet been priced by the private market.

RAILWAY REHABILITATION: THE FREIGHT MULTIPLIER

The Tororo–Gulu metre-gauge railway rehabilitation is the single most transformative infrastructure project for Gulu’s industrial real estate outlook. The 375-kilometre line, dormant for over three decades following LRA conflict disruptions, is being undertaken by the Uganda Railways Corporation (URC) with a revised completion target of October 2026. Rail integration with the GLH will structurally lower freight costs, improve service reliability, and enhance Gulu’s competitiveness as a sub-regional distribution hub. Uganda’s broader Standard Gauge Railway programme further includes a planned 465-kilometre Northern Line from Tororo to Gulu and onward to Nimule at the South Sudan border, signalling sustained long-term government commitment to Gulu’s position as a rail-connected gateway economy.

INDUSTRIAL DEMAND AND SUPPLY

Demand for industrial and logistics real estate in Gulu is structurally underpinned by four converging forces: cross-border trade growth through the Elegu/Nimule and Vurra corridors; agro-industrial activity across Northern Uganda’s maize, sesame, sorghum, and rice producing zones; humanitarian and NGO supply chain requirements (UNHCR, WFP, TASO, and others operate regional offices from Gulu and require bonded warehousing and cold chain storage); and FMCG distribution demand from Gulu’s formalising retail economy.

Despite these drivers, Gulu’s formal industrial stock remains critically thin. The GLH, while significant, is insufficient to meet increasing demand. Outside its perimeter, warehousing is largely provided through informal, unconverted structures not designed for modern logistics operations. There is no purpose-built cold chain facility in Northern Uganda. There are no industrial parks with utilities, security, and professional management. This is not a market approaching equilibrium, it is a market at near-zero on the formal supply curve.

Three Growth Scenarios

To assess the potential trajectory of Gulu’s property market over the coming decade, Knight Frank has developed three scenarios based on current demographic trends, infrastructure development, and the city’s evolving role as the commercial centre of Northern Uganda. These scenarios do not represent a formal city development plan but rather illustrate how varying levels of infrastructure delivery, regional trade activity, and private sector investment could influence the pace and structure of real estate development.

Scenario 1

BASE CASE - GRADUAL MARKET MATURATION

Under the base case scenario, Gulu continues to experience steady urbanisation supported by population growth and incremental improvements in infrastructure. Real estate development becomes progressively more formalised as developers respond to increasing demand for structured residential, commercial, and mixed-use developments.

Key drivers

- Continued population growth and urban expansion
- Incremental infrastructure improvements
- Gradual private sector investment
- Implications for real estate
- Steady demand for residential housing
- Moderate expansion of commercial and retail space
- Incremental growth in formal developments

Table 5: Key Trade Corridors Served by Gulu **Table 7:** Industrial Real Estate Opportunity Matrix

CORRIDOR	ROUTE	STRATEGIC SIGNIFICANCE	OPPORTUNITY	RATIONALE
Northern Corridor	Kampala – Gulu – Elegu/Nimule – Juba (South Sudan)	Primary Uganda–South Sudan freight artery; feeds EAC trade flows	Modern warehousing (dry storage)	No institutional-grade dry storage outside the GLH; FMCG, agricultural, and NGO demand growing rapidly
			Cold chain / controlled-temperature storage	Acute gap in pharma, food, and NGO supply chains; no purpose-built cold chain facility exists in Northern Uganda
Western DRC Corridor	Gulu – Pakwach – Goli/Vurra (DRC)	Access to Eastern DRC markets; growing informal and formal trade flows	Industrial / agro-processing parks	Large agricultural hinterland with minimal value addition; maize, sesame, and sorghum exported raw from the region
			Freight distribution and bonded warehousing	Cross-border trade through Elegu/Nimule and Vurra corridors requires bonded transit facilities near border entry points
			Last-mile logistics centres	Formalising retail sector, growing e-commerce, and NGO distribution networks require structured fulfilment infrastructure

Source: Knight Frank

Scenario 2:

ACCELERATED GROWTH

Regional Trade and Infrastructure Momentum: In this scenario, improvements in transport infrastructure and regional connectivity have strengthened Gulu's position as a commercial and logistics hub serving Northern Uganda and cross-border markets. Increased economic activity stimulates stronger demand for formal residential, office, hospitality, and logistics developments.

Key drivers

- Expansion of regional trade activity
- Completion of key infrastructure upgrades
- Increasing private sector and institutional investment
- Implications for real estate
- Higher demand for modern residential developments
- Expansion of office and commercial space
- Growth in logistics and industrial facilities

Our view is that based on current market indicators and infrastructure trends, the trajectory of Gulu's real estate market appears most consistent with this accelerated growth scenario.

Scenario 3

CONSTRAINED GROWTH – SLOWER DEVELOPMENT TRAJECTORY

Under this constrained growth scenario, the pace of development will slow due to delays in infrastructure delivery, regulatory bottlenecks, or weaker investment activity. While baseline demand for property remains supported by population growth, the formalisation of the real estate market occurs more gradually.

Key drivers

- Delays in infrastructure implementation
- Regulatory and administrative inefficiencies
- Slower private sector investment
- Implications for real estate
- Slower expansion of formal developments
- Continued dominance of small-scale projects
- Extended timeline for market maturation

As with many emerging urban markets, real estate investment in Gulu presents several structural considerations that investors and developers must consider when evaluating opportunities. These risks are typical of cities in the early stages of market formalisation and are closely linked to the pace of infrastructure development, regulatory processes, and the maturity of the local property market.

Risks And Market Considerations

INFRASTRUCTURE CONSTRAINTS

While significant improvements have been made to the city's primary road network, several feeder roads, particularly outside the central business district remain underdeveloped. Limited road connectivity and inadequate parking provision in certain commercial areas are affecting accessibility and operational efficiency for some developments.

REGULATORY AND ADMINISTRATIVE PROCESSES

Real estate development is influenced by administrative procedures related to land registration, development approvals, and permitting processes. Delays or procedural complexities can affect project timelines and require careful planning during the development phase.

MARKET MATURITY

Gulu's property market remains in a relatively early stage of formalisation. As a result, market data, pricing benchmarks, and development standards are still evolving. This will create uncertainty for investors unfamiliar with frontier urban markets, particularly where demand patterns and absorption rates are still developing.

INVESTMENT IMPLICATIONS

These considerations do not necessarily represent barriers to investment but rather characteristics commonly associated with emerging property markets. Projects that are carefully structured, appropriately scaled, and supported by strong capital and professional management will be better positioned to navigate these dynamics.

Conversely, speculative developments that are not aligned with underlying demand fundamentals may face greater exposure to market volatility.

CROSS-BORDER GEOPOLITICAL RISK

South Sudan's economic and political instability is a direct and material risk to Gulu's logistics and commercial thesis. South Sudan has experienced recurring conflict since 2013, and its economy remains heavily oil-dependent with high inflation rates, averaging 97.5% in 2025 (IMF). Any deterioration in South Sudan-Uganda trade relations or renewed internal instability would directly reduce demand for Gulu's warehousing, cross-border logistics, and commercial real estate. Investors in the industrial and logistics sector should factor scenario planning around a sustained South Sudan trade disruption.

AFFORDABILITY AND ABSORPTION RISK

Gulu's formal private sector income base remains narrow. Demand for mid-to-high income residential products is currently concentrated among NGO staff, government officials, and a limited pool of private sector professionals. Developers targeting this segment face real absorption risk if product is priced above market willingness-to-pay, particularly in the absence of mortgage finance. The residential opportunity is genuine but requires careful feasibility analysis and phased delivery rather than speculative bulk development.

INFRASTRUCTURE SEQUENCING AND EXECUTION RISK

The report's investment thesis relies substantially on infrastructure arriving ahead of real estate. However, Uganda's infrastructure record reflects repeated delays. The Tororo–Gulu railway has already missed the completion targets (February 2026; now October 2026). The Gulu Logistics Hub, while physically complete, faced multi-year delays in operationalisation due to access road complications and PPP procurement challenges. Investors should treat infrastructure timelines as directionally indicative, not contractually binding, and structure transactions accordingly.

LAND TENURE AND ACQUISITION RISK

Land acquisition in Gulu City requires careful navigation of the three tenure systems available in the city, Freehold, Leasehold, Mailo, and Customary. The Acholi sub-region is predominantly customary tenure, managed through clan and family structures. Customary land carries recognised occupancy rights but cannot be used as bank collateral and requires a formal conversion process before it can support project financing. No national customary land registry currently exists, making ownership verification complex. Within Gulu City's developed urban core, commercial land is increasingly transacted under Freehold and Leasehold titles, which are more straightforward to verify and finance. Investors across all tenure types should conduct a formal title search and legal due diligence before any acquisition. Failure to do so is the single most common cause of project delay in frontier urban markets.

Through continuous engagement with property transactions, valuations, advisory assignments, and occupier activity across the country, Knight Frank maintains a detailed understanding of how demand patterns and development dynamics evolve in frontier urban markets such as Gulu.



The KnightFrank Perspective

Knight Frank Uganda's long-standing presence in Uganda, combined with its global research capability, enables us to identify emerging real estate markets and investment inflection points at an early stage of their development. Through continuous engagement with property transactions, valuations, advisory assignments, and occupier activity across the country, Knight Frank maintains a detailed understanding of how demand patterns and development dynamics evolve in frontier urban markets such as Gulu.

This perspective is strengthened by our multidisciplinary expertise across valuation, agency, property management, and research, allowing market insights to be tested against real-time transactional evidence rather than relying solely on secondary data. When combined with Knight Frank's regional and international benchmarking of comparable markets, our approach provides a deeper understanding of where local markets sit within broader urbanisation and investment cycles.

As a result, Knight Frank is able not only to observe market activity but also to identify the structural shifts that often precede sustained real estate growth. In emerging cities such as Gulu, this capability provides valuable context for investors, developers, and policymakers seeking to understand how the market is evolving and

Land Tenure and Titling

WHAT INVESTORS MUST KNOW

Uganda's Land Act (1998) recognises four tenure systems: Freehold, Leasehold, Mailo, and Customary. In Gulu City and the broader Acholi sub-region, the dominant form is customary tenure.

THE ACHOLI LAND CONTEXT

Unlike central Uganda (where Mailo and Freehold are common), land in the Acholi sub-region is predominantly held under customary tenure, managed through clan and family structures. Customary tenure is constitutionally recognised and provides genuine occupancy rights, but carries specific risks for investors:

No national registry: As of 2024, there is no centralised system for registering customary land ownership in Uganda. A Parliamentary motion in August 2024 (moved in Gulu) called for a National Customary Land Registry, the absence of such a system leaves ownership difficult to verify formally.

Cannot be easily used as collateral: While customary land can technically be pledged as security for bank financing, lenders are reluctant to accept it in practice. The absence of a centralised registry makes ownership difficult to verify, resulting in reduced loan amounts or outright rejection by most commercial banks.

Conversion complexity: Converting customary land to freehold requires consent from the Area Land Committee, public notice, demarcation, and registration, a process that can take months and is subject to objection.

CITY-CENTRE LAND: A DIFFERENT PICTURE

Within Gulu City's developed urban core, commercial land is increasingly transacted under Freehold and Leasehold titles. Commercial CBD land values range from UGX 1.5 billion to UGX 3.5 billion per acre; peri-urban and suburban residential land ranges from UGX 40 million to UGX 200 million per acre. These transactions are more straightforward, but investors must still conduct title verification, confirm no encumbrances, and ensure compliance with the Land Act.

KNIGHT FRANK RECOMMENDATION

All land acquisitions in Gulu City should be preceded by formal title search and a survey due diligence. For developments on customary land, a conversion process must be completed before the property can serve as security for financing. Knight Frank Uganda provides land verification, valuation, and advisory services to support investors at every stage of this process.

Investment Conviction Matrix

WHERE SHOULD CAPITAL GO?

Not all asset classes in Gulu present equal opportunity. Based on our analysis of current supply gaps, structural demand drivers, infrastructure timing, and market maturity, we have ranked Gulu's investable asset classes by conviction and entry timing below.

LOGISTICS & WAREHOUSING ★★★★★ VERY HIGH

Formal supply is near zero outside the Gulu Logistics Hub. Cross-border trade, humanitarian supply chains, and agro-processing demand are all growing. Railway rehabilitation will compress freight costs and accelerate throughput. The first institutional-grade warehousing product in Northern Uganda captures both yield premium and long-term capital appreciation.

MID-INCOME HOUSING ★★★★★ HIGH

A clear, identifiable tenant base - NGO staff, bank and telecom professionals, government officials exists today with no meaningful formal supply competing for that demand. The absence of high-end stock is not a gap, it is a margin.

STUDENT ACCOMMODATION ★★★★★ HIGH

Gulu University and the University of the Sacred Heart Gulu together generate consistent, captive demand for purpose-built accommodation. No formal student housing market currently exists in Gulu, a zero-competition opportunity that mirrors the same gap which has driven successful PBSA investments in Kampala.

GRADE B+ OFFICE AND RETAIL 🌟🌟🌟½ MEDIUM-HIGH

Occupancy above 85% in existing mixed-use stock confirms robust underlying demand. Consumer spending is growing and Gulu City Mall and Landmark Mall demonstrate the market appetite for modern formats. However, retail in Gulu currently remains supply-led rather than demand-led, parking infrastructure is poor, and newer outskirts developments are struggling to meet market requirements. Well-researched, well-located neighbourhood retail centres with integrated parking will perform well; speculative or poorly positioned schemes carry real risk. Conviction is medium and entry is format- and location-dependent.

A 2–4-year development horizon allows the tenant base to deepen further before delivery, reducing absorption risk.

HOSPITALITY 🌟🌟🌟 MEDIUM

The business travel and NGO accommodation case is real, but returns are occupancy-dependent and require careful operator selection. Mid-tier business hotels with conference facilities outperform luxury lodges in this market. Entry is selective rather than broad.

LUXURY RESIDENTIAL 🌟🌟🌟 MODERATE

The market exists but remains thin. Premature delivery risks absorption problems. Infrastructure completion - particularly the railway - and continued deepening of the professional income base should precede entry at scale.

Table 6: Investment Conviction Matrix

ASSET CLASS	CONVICTION	STAR RATING	TIMING	ENTRY
Logistics & Warehousing	Very High	🌟🌟🌟🌟🌟	Immediate	Enter Now
Mid-income Housing	High	🌟🌟🌟🌟	Immediate	Enter Now
Student Accommodation	High	🌟🌟🌟🌟	Immediate	Enter Now
Grade B+ Office and Retail	Medium-High	🌟🌟🌟½	2–4 years	Plan Now
Hospitality	Medium	🌟🌟🌟	Selective	Selective
Luxury Residential	Moderate	🌟🌟	Longer-term	Patient

Source: Knight Frank

Conclusion

Gulu City stands at an important point in its urban and economic development. Population growth, expanding regional trade, and continued infrastructure investment are gradually transforming the city from a primarily administrative and trading centre into a more structured urban economy. These dynamics are beginning to influence how land is used, how buildings are developed, and how investors assess long-term opportunities in the city.

What is emerging, is the early formation of a more formalised real estate market, one where demand for professionally delivered residential, commercial, hospitality, and logistics developments is becoming increasingly evident. As economic activity continues to expand and connectivity with regional markets strengthens, the property sector is likely to play a central role in supporting the city's growth.

For investors and developers, the coming years will be particularly important. Markets at this stage of development often present a limited window in which projects can be positioned ahead of wider institutional interest and increased competition. Developments that are carefully planned, aligned with local demand, and supported by sound capital structures will be best placed to benefit from this period of transition.

Gulu's growth trajectory will ultimately be shaped by the pace of infrastructure delivery, private sector investment, and the continued strengthening of its role as the commercial gateway to Northern Uganda and neighbouring markets. What is clear, however, is that the foundations of the city's next phase of development are already being laid. Gulu is not only expanding, but also evolving into a more structured urban market whose future is now beginning to take shape.

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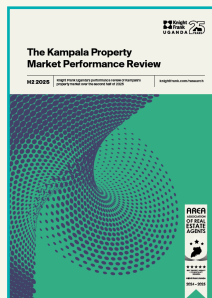
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