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MOGADISHU'S URBAN TRANSFORMATION AND REAL ESTATE DEVELOPMENT (2016–2026): GROWTH PATTERNS, INVESTMENT DYNAMICS, LAND GOVERNANCE AND SUSTAINABLE URBAN DEVELOPMENT

Ahmed Mohamed Iman [1,*], Daud Ahmed Mohamed [2] and Eng. Farah Ahmed Mohamed [3]

[1] Researcher, Director, BEDCO, Mogadishu, Banadir, Somalia.
[2] Researcher, Environmental Protection, BEDCO, Mogadishu, Banadir, Somalia.
[3] Researcher, Civil Engineering from Ministry of Public Works, Government of Somalia.
* Corresponding Author

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ABSTRACT

Mogadishu has experienced significant urban transformation between 2016 and 2026, driven by population growth, economic recovery, private-sector investment and returning diaspora communities. This study examines urbanization patterns, real estate development, investment dynamics, land governance and sustainable urban development in Mogadishu. A descriptive and analytical case-study design was adopted, using a documentary assessment of institutional reports, published research and available spatial information. The findings indicate substantial growth in residential, commercial, mixed-use and coastal developments, alongside the expansion of planned residential communities and multi-storey buildings. Darusalam, Liido Beach and Jazeera illustrate emerging patterns of residential and coastal investment. Domestic entrepreneurs and diaspora investors have contributed to construction activity and economic opportunities. However, unresolved land ownership disputes, weak urban planning, inadequate infrastructure, limited affordable housing, flooding and environmental pressures remain significant challenges. The study highlights the need for transparent land administration, integrated metropolitan planning, stronger building regulations, climate-resilient infrastructure and inclusive housing policies. Strengthening institutional coordination and property information systems is essential to promoting sustainable, equitable and resilient urban development in Mogadishu.

Keywords: Real estate development; Urban Planning; Sustainable development; Housing; Urbanization

1 INTRODUCTION

Mogadishu is the capital and largest urban centre of Somalia and serves as the country's principal administrative, political, commercial and financial hub. Following decades of conflict and institutional disruption, the city has experienced economic recovery, reconstruction and increased private-sector investment. Domestic entrepreneurs, government institutions, development partners and returning Somali diaspora communities have contributed to the transformation of its built environment.

Between 2016 and 2026, residential construction, commercial property development, road rehabilitation, hospitality facilities and urban expansion became increasingly visible. Private villas, apartment buildings, shopping centres, hotels, office complexes and planned residential communities have contributed to the changing urban landscape.

Urbanization has created opportunities for economic growth, employment and investment. However, it has also increased pressure on land, housing, infrastructure and public services. The World Bank's Somalia Urbanization Review identifies urban governance, land administration, infrastructure and institutional capacity as essential elements of sustainable urban development [1].

Research by the African Cities Research Consortium (ACRC) similarly identifies land disputes, informal settlement dynamics, infrastructure deficiencies and governance challenges as major factors influencing Mogadishu's urban transformation [2].

Satellite-derived information provides additional opportunities to monitor changes in urban development. The International Monetary Fund (IMF) has demonstrated the potential of satellite imagery, nighttime lights and land-cover information for monitoring economic activity and urbanization in Somalia [3].

1.1 Real estate development in Mogadishu

Real estate has become an increasingly visible component of Mogadishu's urban economy. Residential development includes private houses, villas, apartments, gated communities and rental properties. Commercial development includes shopping centres, hotels, restaurants, offices and mixed-use buildings.

Hodan, Waberi, Wadajir and Hawl-Wadaag are among the established districts associated with residential reconstruction and commercial investment. Meanwhile, peripheral locations such as Darusalam, Kahda and Garasbaaley have attracted residential development.

Coastal locations, particularly Liido Beach and Jazeera, offer additional opportunities for hospitality, tourism and leisure-related investment. These developments demonstrate the growing participation of domestic investors and Somali diaspora communities in the property market.

1.2 Research Problem

Despite visible construction and urban expansion, comprehensive and reliable information concerning the scale, geographical distribution, ownership, investment value and regulatory status of Mogadishu's real estate developments remains limited.

The absence of an integrated property database makes it difficult to assess construction activity, housing supply and the sector's contribution to the urban economy. Furthermore, rapid development has occurred alongside unresolved land ownership disputes, inadequate infrastructure, flooding, informal settlements and limited access to affordable housing.

Previous research has emphasized the importance of strengthening land administration, institutional coordination and urban infrastructure to address these challenges [1,2].

Consequently, systematic research is needed to examine the relationship between urban expansion, real estate investment, land governance and sustainable urban development in Mogadishu.

1.3 Research objectives

The general objective was to examine urbanization and real estate development in Mogadishu between 2016 and 2026.

The specific objectives were to:

- Examine urbanization patterns and geographical expansion.
- Assess residential, commercial and mixed-use property development.
- Identify significant high-rise buildings and planned residential communities.
- Examine coastal property development and tourism-related investment.
- Assess the contribution of domestic and diaspora investors.
- Examine land governance and institutional planning challenges.
- Identify infrastructure, housing affordability and environmental constraints.

2 MATERIAL AND METHODS

2.1 Study area

The study was conducted in Mogadishu, the capital of Somalia, situated along the Indian Ocean coastline in the Banaadir Region. The city is the country's principal centre of government administration, commercial activities, construction and real estate investment. The geographical assessment covered established and emerging urban districts, including Hodan, Waberi, Wadajir, Hawl-Wadaag, Hamar Weyne, Hamar Jajab, Boondheere, Yaqshid, Kaaraan, Heliwaa, Dayniile, Dharkenley, Warta Nabadda, Kahda, Garasbaaley and Darusalam. Coastal areas, particularly Liido Beach and Jazeera, were included, because of their importance for hospitality, tourism and residential investment.

The locations were selected according to their relevance to neighbourhood reconstruction, commercial development, planned residential communities and outward urban expansion.



Figure 1: A composite image showing the geographical location of Mogadishu, Somalia, marked by a red pin on a regional map of the Horn of Africa (left), alongside an aerial view of the city's coastline, beach, and urban waterfront (right).

2.2 Study Design

A descriptive and analytical urban case-study design was adopted, using a mixed-methods framework to organize quantitative, qualitative and spatial evidence. Three complementary approaches were incorporated:

- Quantitative assessment: Classification of property types, building characteristics, construction status, geographical distribution and infrastructure availability.
- Qualitative assessment: Examination of investment decisions, land governance, construction regulation and urban development challenges.
- Spatial assessment: Comparison of established neighborhoods, emerging residential areas and coastal development corridors.

A retrospective approach was used to organize available evidence across the 2016–2026 period.

2.3 Data Collection and Acquisition

The study framework distinguished between primary and secondary information.

Primary data framework. The proposed primary-data collection instruments included:

- Structured property observations to document building location, type, number of floors, apparent construction status, land use and access to infrastructure.
- Semi-structured interviews with property developers, architects, engineers, construction companies, real estate agents and government officials.

- Questionnaires for property owners, households and other relevant stakeholders to examine housing demand, rental conditions, land ownership and infrastructure access.
- Site photography and GPS documentation of selected buildings, residential communities and infrastructure projects.
- Administrative verification using available building permits, land registration documents and approved development plans.

Secondary data. Secondary information was drawn from the following sources:

- World Bank reports on Somalia's urbanization and urban governance [1].
- African Cities Research Consortium research on Mogadishu [2].
- IMF research on satellite data and economic monitoring in Somalia [3].
- Housing finance and residential development publications from the Centre for Affordable Housing Finance in Africa (CAHF) [4].
- World Bank documentation on urban infrastructure and flood resilience in Mogadishu [5].
- Relevant government and development-related publications.

2.4 Data Analysis

The assessment used descriptive and thematic analytical approaches.

Property information was organized according to geographical location, development category, construction status and reported development period.

Qualitative evidence was classified into five themes: urban expansion, property investment, land governance, infrastructure and environmental sustainability.

Spatial information was assessed through comparisons between established districts, emerging residential areas and coastal development locations.

Triangulation was used to compare institutional reports, documentary information and available spatial evidence. Project descriptions were distinguished from independently verified building measurements and investment statistics.

3 RESULTS AND DISCUSSION

3.1 Urbanization and Physical Expansion

Available institutional and spatial evidence indicates substantial urban transformation in Mogadishu during the study period. Population growth, rural-to-urban migration, displacement, returning diaspora communities and economic recovery contributed to increasing demand for residential and commercial space.

The IMF's satellite-data research highlights the usefulness of land-cover and nighttime-light observations for monitoring urban and economic developments in data-constrained environments [3]. ACRC research also identifies rapid urbanization, rising land prices, land disputes and infrastructure deficiencies as important characteristics of Mogadishu's urban development [2].

Three major patterns can be identified:

- Neighbourhood reconstruction: Existing districts experienced property improvement, reconstruction and additional commercial buildings.
- Peripheral expansion: Residential development extended towards locations such as Darusalam, Kahda and Garasbaaley.
- Vertical development: Multi-storey residential and commercial buildings became increasingly visible. These patterns indicate that urbanization involved both horizontal expansion and increasing building density.

3.2 Residential Real Estate Development

Residential construction was one of the most visible components of Mogadishu's urban transformation. Major residential property categories included private villas, apartment buildings, gated communities, rental accommodation, luxury housing and mixed-use residential properties.

Increasing housing demand was associated with population growth, household formation, displacement, rural migration and returning diaspora communities. Modern residential properties became increasingly visible in established districts and emerging peripheral communities. Planned developments also attracted households seeking improved residential environments and supporting services.

However, increased construction does not necessarily indicate improved housing affordability. High-end properties and gated communities generally target households with greater purchasing power, while lower-income residents continue to face difficulties accessing affordable and secure accommodation. This demonstrates the need to integrate affordable housing into urban development policies.

3.3 Commercial and Mixed-Use Development

Commercial real estate expanded alongside economic recovery and private-sector growth. Major categories included shopping centres, office buildings, hotels, restaurants, retail facilities and mixed-use properties. The expansion of banking institutions, telecommunications companies, professional services and hospitality businesses increased demand for modern commercial accommodation. Hodan and other central districts remained important locations for commercial investment.

Mixed-use developments combining residential accommodation, retail facilities, offices and hospitality services also became increasingly relevant. When properly planned, they can improve land-use efficiency, support local economic activity and reduce travel distances.

However, poorly coordinated development can increase traffic congestion, strain public utilities and reduce access to public spaces.

3.4 High-Rise Buildings and Changing Construction Practices

The emergence of multi-story buildings represents an important development in Mogadishu's urban landscape. These structures demonstrate increasing demand for vertical housing and commercial accommodation, alongside the expanding technical capacity of construction companies and investors.



Figure 2: Illustrative architectural and urban-development imagery

3.4.1 Dahab Tower

Dahab Tower, located in Hodan District, is identified in the original research as a prominent example of high-rise development associated with the Dahabshil Group. The supplied project information identifies construction activity during the 2020s, with 2022 appearing in one description. Another reported source identifies approximately 26 floors.

However, the available descriptions do not establish a consistent construction commencement date or independently verified floor count. The project nevertheless illustrates the increasing scale and technical complexity of Mogadishu's construction sector.

3.4.2 Shabelle Tower

Shabelle Tower represents another example of multi-story residential development.

Project information attributed to DOCOL Group indicates that the building was developed for Shabelle Properties, with construction reportedly taking place between 2016 and 2018. The reported investment value is approximately US$4.47 million, and the building is described as having more than 15 floors.

These figures require verification through original developer records before being treated as confirmed project statistics. Nevertheless, the project demonstrates the growing importance of private investment in modern residential construction.

3.4.3 Other Multi-Story Developments

Other examples identified in the original material include commercial, residential and hospitality buildings, including the Ali Mahdi Hotel in the Liido area.

A comprehensive assessment of Mogadishu's high-rise construction requires an official building inventory containing verified building heights, floor numbers, construction dates, structural specifications and completion status.

3.5 Darusalam District and Planned Residential Development

Darusalam City represents an important example of large-scale planned residential development in the Mogadishu metropolitan area. Unlike individual housing projects, the development involves the creation of a larger residential community supported by commercial, educational, healthcare and infrastructure facilities.

According to the original research, the area was historically associated with agricultural activities, with land subdivision beginning around 2011–2012. Buruuj Construction Company, associated with the Hormuud business group, is identified as an important developer, with major development activity reportedly taking place around 2016.

Subsequent developments included Banana Estate, residential properties, a mosque, Darusalam Hospital and other supporting facilities.

CAHF's housing-sector documentation identifies Darussalam Estate as a significant residential development located approximately seven km from central Mogadishu [4].

The original project information reports more than 6,000 proposed housing units and an initial phase of approximately 500 units launched in 2015. These figures refer to reported project plans and development information, not independently verified completed units.

The development illustrates the transition from individual residential investment towards larger planned communities.

However, affordability, land ownership security, infrastructure maintenance and integration with the wider metropolitan area remain important considerations.



Figure 3: The Darussalam residential area.

3.6 Coastal Real Estate Development: Liido Beach and Jazeera

Mogadishu's Indian Ocean coastline provides opportunities for tourism, hospitality, leisure and residential property development. Liido Beach, located in Abdiaziz District, has attracted investment in restaurants, hotels, cafes and recreational facilities. Jazeera and its surrounding areas have also attracted residential and tourism-related development.



Figure 4: The patterns of coastal urban development along Lido and Jazeera beaches.

These investments have the potential to generate employment in accommodation, food services, property management and tourism-related activities. Resort Liido Beach is identified in the original research as an example of coastal leisure and hospitality development, with facilities including restaurants, outdoor seating and ocean-facing recreational spaces.

Jazeera Estate and Long Beach Villas and Estates are also identified as examples of coastal residential investment.

However, coastal development requires environmental safeguards. Important considerations include coastal erosion, marine pollution, wastewater disposal, stormwater drainage, solid waste management and protection of public beach access. Uncontrolled construction could damage coastal ecosystems and undermine the long-term economic value of these areas.

3.7 Geographical Distribution and Emerging Urban Areas

Mogadishu's urban expansion has encompassed established neighbourhoods, historic districts and emerging peripheral residential areas. Established residential and commercial centres, including Hodan, Waberi and Wadajir, continue to accommodate significant urban activities. Historic neighbourhoods such as Hamar Weyne, Hamar Jajab and Boondheere retain their traditional urban character, while districts such as Hawl-Wadaag, Yaqshid and Kaaraan have experienced continued residential and commercial development.

Urban growth has also extended towards the northern and western parts of the city, particularly Heliwaa, Dayniile and Dharkenley. Meanwhile, emerging peripheral residential areas, including Kahda, Garasbaaley and Darusalam, have become increasingly important in accommodating the city's expanding housing demand. Coastal locations, particularly Liido Beach and Jazeera, have also attracted growing interest in residential, commercial, recreational and tourism-related development.

The geographical expansion of Mogadishu highlights the increasing role of peripheral and coastal areas in shaping the city's urban structure. However, uncoordinated development may increase infrastructure costs, extend commuting distances and create additional challenges for the provision of essential services, including water supply, electricity, sanitation, transportation and other public facilities. Consequently, integrated spatial planning and infrastructure investment are essential to ensure sustainable and balanced urban development.

3.8 Road Infrastructure and Urban Services

Infrastructure rehabilitation has contributed to improvements in selected parts of Mogadishu. Road reconstruction and asphalt development have improved accessibility between some districts and commercial locations. Interlocking pavement has also been used in residential neighbourhoods to improve street conditions and pedestrian movement. Nevertheless, drainage remains a major challenge.

During rainy periods, some streets and residential areas experience flooding because of inadequate drainage capacity, blocked channels and insufficient stormwater management. A significant example is the rehabilitation of the Boondheere water-retention pond under the Somalia Urban Resilience Project Phase II. The World Bank reported that the intervention benefited approximately 24,000 people, including 12,000 women and 1,200 internally displaced people [5].



Figure 5: The Boondheere pond rehabilitation and urban flood-resilience infrastructure.

3.9 Domestic and Somali Diaspora Investment

Domestic entrepreneurs and Somali diaspora communities have played important roles in Mogadishu's property development. Their investment activities include purchasing land, constructing private villas, developing apartments, establishing commercial properties, financing construction companies and supporting large residential developments.

Darusalam City illustrates the relationship between private investment, returning diaspora communities and planned residential development [4].

Diaspora investment can contribute to capital formation, construction employment, business development and the transfer of technical knowledge.

However, sustainable investment depends on transparent land transactions, reliable property documentation, predictable regulations and adequate infrastructure.

3.10 Land Governance and Property Ownership

Land governance represents one of the most significant challenges affecting Mogadishu's urban development. Historical conflict, displacement, competing ownership claims and incomplete land records have created uncertainty in property transactions. Major challenges include:

- Incomplete land registration and cadastral information,
- Conflicting ownership claims,
- Informal property transactions,
- Unclear boundaries between public and private land,
- Forced evictions and displacement,
- Limited access to effective dispute-resolution mechanisms,
- Weak coordination among relevant institutions.

The World Bank and ACRC identify land administration and governance as central issues affecting urban development in Mogadishu [1,2].

Establishing a transparent digital land registry, supported by cadastral mapping, ownership verification and accessible dispute-resolution mechanisms, would strengthen property security and investor confidence.

3.11 Construction Industry and Economic Opportunities

Increasing construction activity has generated demand for building materials, technical expertise and specialized services. Important construction inputs include cement, concrete, steel reinforcement, sand, aggregates, roofing materials, aluminium, glass, electrical products and plumbing systems.

The sector creates employment opportunities for architects, engineers, surveyors, contractors, technicians, construction workers and material suppliers. Nevertheless, the construction industry faces several constraints:

- Dependence on imported building materials.
- High procurement and transportation costs.
- Limited access to long-term investment finance.
- Inconsistent construction quality.
- Shortages of specialised technical expertise.
- Insufficient construction and property market statistics.

Professional accreditation, technical training and effective construction-quality assurance could strengthen the sector.

3.12 Major Challenges Affecting Sustainable Urban Development

The documentary assessment identified several major challenges affecting sustainable urban development and real estate growth in Mogadishu. These include land ownership disputes, weak urban planning, high construction costs, limited access to affordable housing, inadequate infrastructure, incomplete property information, inconsistent enforcement of building regulations, environmental vulnerability and flooding, security concerns, and limited access to long-term financing.

Land ownership disputes and inadequate property records create uncertainty for investors, while weak urban planning contributes to uncontrolled settlement expansion and inefficient land use. High construction costs and limited financing further constrain development opportunities and reduce housing affordability. In addition, inadequate infrastructure, inconsistent enforcement of building standards, and exposure to flooding increase construction risks and potential economic losses.

These challenges highlight that sustainable real estate development requires more than private-sector investment. It depends on effective land governance, coordinated urban planning, reliable infrastructure, transparent property administration, stronger regulatory enforcement, and accessible long-term financing. Addressing these constraints is essential to promoting an inclusive, resilient, and sustainable urban development process in Mogadishu.

3.13 Sustainable Urban Development and Future Investment

The long-term development of Mogadishu's real estate sector requires a balanced approach that integrates economic investment, social inclusion, environmental sustainability and effective urban governance. Several sectors present significant opportunities for future investment and urban development.

Key investment opportunities include high-rise construction, particularly residential towers and modern office buildings; residential housing, including apartments, villas and rental properties; and planned communities featuring integrated residential and supporting infrastructure. Coastal development also offers considerable potential for hotels, restaurants, tourism facilities and recreational infrastructure.

Additional opportunities exist in commercial real estate, particularly shopping centres and business complexes, as well as affordable housing designed to meet the needs of middle- and lower-income households. Investment in local construction-material manufacturing and supply chains could strengthen the domestic construction industry, reduce reliance on imported materials and support employment generation.

Furthermore, the development of industrial properties, warehouses and storage facilities could improve logistics and commercial capacity. Professional property management services also represent an emerging investment area, while urban infrastructure development, particularly roads, drainage systems and essential utilities, remains fundamental to sustainable urban expansion.

Realising these investment opportunities requires transparent land transactions, enforceable property rights, appropriate building regulations, reliable infrastructure and predictable investment policies. Strengthening institutional capacity and urban planning systems will also be essential to ensuring that future real estate development contributes to inclusive economic growth, environmental protection and the long-term sustainability of Mogadishu.

3.14 Policy Implications and Recommendations

The assessment recommends strengthening land administration through digital registration, reliable property records and effective dispute-resolution mechanisms. An integrated metropolitan master plan should guide urban expansion, while stronger building regulations ensure construction quality and safety. Affordable housing should be promoted, alongside climate-resilient infrastructure, improved drainage and sustainable water and sanitation services. Coastal

development should comply with environmental protection standards. Establishing a comprehensive metropolitan property database and improving transparency in land transactions will also support responsible diaspora investment. These recommendations align with UN-Habitat principles of inclusive and sustainable urban development [6,7].

4 CONCLUSION

Mogadishu has experienced considerable urbanization and real estate development between 2016 and 2026, characterized by expanding residential communities, commercial properties, high-rise buildings, coastal developments and infrastructure rehabilitation. Domestic entrepreneurs and Somali diaspora investors have played an important role in supporting construction activities, employment generation and private-sector growth. Developments in Darusalam, Liido Beach and Jazeera demonstrate the growing diversity of the city's real estate sector.

Despite this progress, sustainable urban development remains constrained by unresolved land ownership disputes, weak urban planning, inadequate property registration, high construction costs, limited affordable housing, insufficient infrastructure and environmental challenges, particularly flooding and coastal degradation.

The study concludes that sustainable urban transformation requires more than increased private investment. Strengthening land governance, integrated metropolitan planning, property registration systems, building regulations and climate-resilient infrastructure is essential. Greater attention should also be given to affordable housing, environmental protection and equitable access to essential urban services.

Effective collaboration among government institutions, private investors, development partners and local communities will be critical to ensuring that Mogadishu's continued urban expansion promotes inclusive economic growth, improves living conditions and creates a resilient and sustainable urban environment.

STATEMENTS ON COMPLIANCE WITH ETHICAL STANDARDS

Disclosure of conflict of interest

The authors declare that there is no conflict of interest regarding the publication of this paper.

Statement of informed consent

The primary research was conducted with voluntary participation and informed consent. Personal information, property documents, and land ownership records were handled confidentially. Photography and GPS recording of private properties were carried out only after obtaining appropriate permission.

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