Risk Mitigation Strategies and Performance of Real Estate Industry in Mogadishu: A Case Study of Dahabshiil Bank Dahab Tower Project

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DOI: https://dx.doi.org/10.47772/IJRISS.2025.907000140

Received: 23 June 2025; Accepted: 26 June 2025; Published: 04 August 2025

ABSTRACT

The real estate industry in Mogadishu, Somalia, continues to face significant challenges due to various risks, including financial, operational, and environmental uncertainties. This study explores the impact of risk mitigation strategies on the performance of real estate projects, using the Dahabshiil Bank Dahab Tower—a 26-floor high-rise mixed-use development—as a case study. Despite the growing importance of managing risks in large-scale developments, little research has been conducted on how strategies such as risk retention, risk transfer, risk prevention, and risk control influence project outcomes in the Somali context. Using a descriptive research design, the study targeted 135 project personnel, with a sample of 102 respondents selected through Slovin's formula. Primary data was collected through self-administered questionnaires. The analysis revealed a positive and significant relationship between the identified risk mitigation strategies and project performance indicators such as cost control, timely delivery, quality standards, and stakeholder satisfaction. The results were consistent with previous studies in similar contexts, confirming that robust risk management enhances project performance. The findings underscore the need for structured, context-specific risk mitigation approaches within Somalia's real estate sector. The study contributes valuable insights for real estate developers, policymakers, and project managers in improving decision-making, optimizing resource allocation, and ensuring the successful implementation of future developments in Mogadishu. Finally, the study concludes that risk mitigation is not merely a protective mechanism but a strategic tool that directly contributes to the success of real estate projects. As demonstrated by the Dahab Tower case, embracing comprehensive risk mitigation practices is critical for fostering sustainable development in Mogadishu's growing real estate sector.

Keywords: Risk Mitigation, Project Performance, Real Estate, Dahab Tower, Mogadishu, Risk Mitigation Strategies

INTRODUCTION

To safeguard their interests in accomplishing project goals, global businesses ventures across the world have made risk mitigation strategies a top priority in recent years, to maximize profits, minimize risks and making the most of possibilities (Gitahi & Tumuti, 2019). Risk mitigation strategies have remained one of the most essential tools to boost project success throughout history. Conservative estimates put the cost of project failure at £97bn across the European Union (Boddy, 2020). Many projects suffer overrun in cost, delayed schedule, failure and even abandonment. They may equally not meet the quality specifications or may not achieve the benefits for which they were embarked upon. The cost of failure makes it important to understand what makes a project successful (Aduma & Kimutai, 2023).

Globally, in the Middle East specifically in Saudi Arabia; Odeh and Battaineh (2022) argues that approximately 70% of construction works did not meet their intended date of completion due to some unplanned risks that have not been addressed at the beginning of the project. They said that delays are virtually

inevitable in many construction projects, albeit the impact of every delay differs per project. They also recognize notable delays that hinder proper performance of construction sector that will end up jeopardizing the real estate industry, including them are structural modifications, the contractor's schedule, and the design concept are all factors that affect how quickly a project will be completed. Critical path management gave rise to the idea of critical delays, and all projects; notwithstanding the plan type have critical tasks.

In Asia, Babaeian. (2021) discovered that proactive and reactive measures were introduced to mitigate project delays, especially on the contractor's side in Japan. The experts interviewed agreed that responding faster will save time and resources and reduce the risk to the project and the contractor's credibility for reasons that cannot be avoided entirely. Banobi and Jung (2019) suggested that project participants' close project supervision can help identify problems in the early stages. Incompetent firms hired can lead to many other problems, such as low quality and slow response (Zulkifli, 2021). Any method that can improve interaction and administration must be executed by the construction firm to lessen the detrimental effect of project delays (Banobi & Jung, 2019; Prasad, 2019; Babaeian, 2021; Yap., 2020; Yap & Skitmore, 2020; Yap & Toh, 2020; Yap., 2017).

In Africa, the real estate industry in Nigeria is a good example and it's showing a promising growth driver, accounting for almost 6% of the country's GDP (NBS, 2022). Abuja, the nation's capital, has the most real estate worth and the most businesses per capita in all of Nigeria (NBS, 2022). Officials in the real estate industry can benefit greatly from a study that assesses the results of developers' risk mitigation strategies. For real estate developers, this means more possibilities, better resource deployment, less performance variability, and entity-wide risk identification and management. Uncertainties in the neighbouring states of Niger, Kogi, and Kaduna have resulted to rural urban migration, thus a growing population of Abuja, Nigeria. This creates housing shortages, adding a lot of pressure on real estate developers to fill the demand for housing caused by the growth in population. To keep up with the surging demand, real estate developers are taking massive risks due to this surge. Among these dangers are those pertaining to society, the economy, the environment, politics, business, IT, and the law. Effective risk mitigation strategies can help real estate developers meet their goals in terms of time, money, quality, and customer happiness (Sankar and Shashikanth, 2022).

In Libya, a study conducted by Algremazy, (2023), examined the application of risk mitigation strategies within the real estate industry in Libya. This study delineates the significance of risk mitigation strategies within real estate projects in the real estate industry of Libya. The study encompassed almost three hundred construction firms situated in Tripoli and Benghazi, the two principal cities in Libya where building activity was most vigorous and entailed substantial projects and significant investment. Questionnaires constructed using cluster sampling was distributed to respondents, specifically firm managers, resulting in 250 replies. Structural equation modeling was employed to analyze the data using the Smart-PLS software. The risk mitigation techniques, encompassing retention, prevention, and control, which contributed to the project's success, were also associated with financial risk. The research indicated that risk mitigation approaches significantly and positively influenced the real estate sector success.

At a regional level, in Kenya; Wafula (2019) carried a study in Kenya real estate construction projects. The findings of the study showed that out of 100 projects 73 % do not meet projects duration, while 38% experienced cost overruns which result in poor performance. Moreover, another study by Mbada (2016), carried out for both private and public construction projects got the same findings. The failure to meet cost and time will result in wastage of resources and consequently poor performance. A preliminary informal review by the researcher showed that most of the construction projects in Murang'a County have major challenges. In fact, the majority of the projects have not been completed on time and budget, others have stalled and others are abandoned resulting in poor performance.

Furthermore, in Kenya, Macharia & Mbada (2020) established the effect of risk mitigation strategies on performance of public schools in Nairobi the study findings implicated that among four risk management practices risk avoidance had the major influence on completion of the construction and it concluded that risk reduction, risk sharing and risk retention practices positively influenced the completion of the construction projects. According to this study, failure of private and public construction projects to meet cost, time and quality has resulted to poor performance and waste of resources.

In Rwanda, Amandin and Kule (2021) conducted a study in Kigali Rwanda on risk management practices on construction project the study established that project delay is usually caused because of failure in identifying a formal and well-structured risk management strategy during project planning with involvement of project team, professionals and end users.

In Somalia, Benadir/Mogadishu pipeline project was viewed as the costliest private undertaking in 1970s (Olwale & Sung, 2021). With over 10billion dollars of spending plan and 800 miles of pipeline, this task required first class project administrations capacities to be finished and culminated. During the arranging stage, the proprietor appointed the entire project to a Construction Management organization (contracting, called CMC) while holding the brought together dynamic capacity. At first, the chain of command starts to finish comprised of 9 layers which made numerous dangers and clashes between different subcontractors and different members of the undertaking. There were likewise defers settled on in dynamic procedure in light of different building destinations and include of subcontractors in Somalia. (Tversky & Kahneman, 2023).

Theoretical Underpinning

The study made use of two prominent theories; Contingency Theory propounded by Joan Woodward (1950s) and Fred Fiedler (1960s) and Resource Dependency Theory (RDT) which was primarily propounded by Jeffrey Pfeffer and Gerald R. Salancik in their seminal work "The External Control of Organization: A Resource Dependence Perspective" published in 1978.

Contingency theory of Woodward (1950s) and Fred Fiedler (1960s), when applied to risk management, contingency theory posits that risk mitigation strategies should be adaptable and tailored to the unique characteristics of a project, organization, or environment. In the context of risk mitigation strategies, the contingency theory emphasizes that the effectiveness of this theory depends on various factors, including the nature of the risks involved, the external environment, the organizational structure, and the available resources. Therefore, risk mitigation processes and strategies must be flexible and responsive to these situational variables rather than relying on standardized procedures.

Resource dependency theory of Pfeffer and Salancik's (1978), the resource dependency theory provides a valuable framework for understanding how external dependencies on critical resources can expose organization to various risks. In the context of risk management, RDT helps organization identify these dependencies and adopt strategic actions to mitigate risks, such as diversification, vertical integration, and strategic alliances. By applying RDT, organization can manage the uncertainties of their external environment more effectively, improving their ability to navigate risks and achieve long-term success.

Statement of the problem

The real estate industry in Mogadishu, Somalia, has been facing significant challenges due to a variety of risks; including financial, operational, and environmental uncertainties (Federal Ministry of Housing, 2022). One of the most ambitious developments in the city is the Dahabshiil Bank Dahab Tower project, 26 floors multi-million-dollar endeavor and a new high rise mixed-use building project by Dahab Real Estate a Subsidiary Company of Dahabshiil Group. It aims to be a landmark in Mogadishu's skyline. However, the project faces various risks that could potentially affect its timely completion, cost efficiency, and overall success. Despite the increasing importance of risk mitigation strategies in ensuring the successful implementation of large-scale real estate projects, there is limited research on how different risk mitigation techniques specifically impact the performance of real estate projects in the context of Mogadishu-Somalia (Hassan & Ali, 2023).

In particular, risk retention, risk transfer, risk prevention, and risk control are strategies often employed to manage and mitigate risks. However, the actual impact of these strategies on the performance of the Dahabshiil Bank Dahab Tower project has not been comprehensively explored. In addition to that, the lack of systematic evaluation of risk mitigation strategies effectiveness has led to inconsistent project results and potentially suboptimal resource allocation (Omar 2024). Furthermore, the absence of standardized risk mitigation strategies specific to the Somali real estate sector has resulted the lack of timely completion of quality construction within a specified budget.

This gap in knowledge calls for a detailed investigation into the role of these risk mitigation strategies in influencing the project's outcomes. Understanding how these strategies affect the performance of the Dahab Tower project will provide valuable insights into how risk management practices can enhance the efficiency and success of real estate projects in Mogadishu. The findings could further contribute to improving decision-making, minimizing potential losses, and ensuring more successful outcomes for future projects in the region.

Empirical review

Alsaadi & Norhayatizakuan (2021), investigated risk mitigation strategies and performance of real estate projects in Oman, the research utilized quantitative approaches to investigate the link. Construction enterprises ranging from grade exceptional to grade second in Oman have been included in the survey. The results indicated that implementing risk mitigation strategies considerably enhances the performance of construction projects. They recommended that it is imperative to employ qualified project managers possessing adequate expertise in risk management and its principal activities.

Bukar & Ibrahim (2021), the objective of this research was to analyze the influence of risk mitigation strategies on the performance of real estate sector within Nigeria's real estate industry. A quantitative research design was employed, utilizing a descriptive study to gain deeper insights into the risks and risk management challenges within the business. Survey questionnaires were employed to gather data from 84 sample respondents. The collected data were analyzed using a basic linear regression model. The findings indicated that risk mitigation strategies substantially influenced project performance of real estate and real estate industry of Nigeria. Furthermore, the findings indicated that the primary issue facing the construction industry regarding risk is the absence of a risk mitigation schemes that companies and organization may adopt and enforce.

Kolo (2022), investigated the influence of project risk mitigation strategies practices in construction projects in Abuja Nigeria. The study adopted a descriptive research design and a total of 12 construction firms in Yola were the study' target population. Questionnaires were successfully administered to project managers, supervisors and general managers of the firms. Data collected was then analyzed using descriptive analysis and findings of the study revealed that the construction firm adopted risk transfer strategies such as insurance policy and risk premiums influenced performance of the projects in terms of cost time and quality.

Rwingo & James (2021), investigated Makueni County, Kenya, construction project risk governance and performance. This research examined risk governance and building project performance in Makueni County, Kenya. The research examined how resource, budget control, and lawsuit risk mitigation strategies affect building project performance in Makueni County, Kenya. Makueni County building projects have strong resource risk mitigation strategies. Financial constraints for project activities are a big challenge. Litigation and budget control risk mitigation strategies were strong. Resource, budget control, and lawsuit risk mitigation strategies improved Makueni County building project performance. The research found that budget control risk mitigation strategies greatly affects Makueni County building project performance, whereas resource and lawsuit risk mitigation strategies do not.

Aladdin (2020), explored how risk mitigation strategies affects organizational performance. A Jordanian insurance company field study was highlighted. The study found that risk mitigation had the greatest impact on organizational performance, followed by risk identification, assessment, and control, and risk mitigation strategies implementation had the least. All risk mitigation strategies practises improve organizational performance. The findings suggested insurance firms use cost-effective methods to detect and manage risks quickly.

Amer (2020), explored building project risk mitigation strategies. The research examined construction projects, risk, and risk mitigation strategies. He suggests that a certified committee investigate building enterprises' basis and requirements to determine their efficiency. Use of qualitative analysis methods (personal interview, checklist analysis, questionnaire, brainstorming, Delphi) to diagnose, analyse, and categorize hazards in risk mitigation strategies. Quantitative description analysis [monetary, other value] from risks using interviews, sensitivity analysis, Monte Carlo simulation, events tree, and fault tree events. Provide risk mitigation

strategies training, integrate it into higher education, and enroll construction project teams in risk mitigation strategies courses by major. Examine contracts and contract expressions to determine which parties carry construction project risks and shift them to the party best competent to manage them.

Nsiah & Bonnah (2024), conducted a study in Ghana to investigate the effect of risk mitigation strategies practices on Ghanaian banking industry. The study adopted a case study research design and a total of 5 banks located in the rural area consisted of the study' target population. The employed questionnaires and face to face in-depth interviews to investigate how risk mitigation strategies practices influenced the performance of the banks. Questionnaires were then successful administered to bank managers, strategic and finance officers. For data analysis, the study employed descriptive and content analysis and findings of the study revealed that risk transfer strategies such as high-risk premiums, signing of contracts and insurance policy influenced the performance of the 5 banks.

Gharaibeh (2019), investigated Jordanian construction project risk mitigation strategies problems and rewards. This research sought to determine how much risk mitigation strategies is used in Jordanian building projects and identify potential obstacles. The report also emphasized the advantages of risk mitigation strategies and how construction organization may enhance their process by following best practices. Risk mitigation strategies in Jordanian construction projects has various advantages, the most notable of which is improving stakeholder communication, which boosts project success. Early project development delays and cost overruns may be avoided via risk mitigation strategies. Proper risk mitigation strategies allows us to create a mitigation strategy to prevent or reduce project impacts. Due to project complexity and technical obstacles that might cause schedule delays, cost overruns, and quality and performance concerns, risk mitigation strategies is essential in construction. Risk mitigation strategies helps identify these issues early in the project and create a mitigation strategy to save cost and time.

Aduma & Kimutai (2023), conducted a study in Nairobi Kenya to investigate risk mitigation strategies practices conducted at the National Hospital Insurance Fund in Nairobi. A descriptive research design was adopted in the study and a total of 651 management employees at NHIF were the study' target population. A stratified proportionate random sampling technique was employed and the sample size was 241. Self-administered questionnaires were then administered to the study respondents who consisted of staff from finance, Health insurance and legal affairs, public procurement and human resources departments. The data collected was then analyzed using both descriptive statistics and inferential statistics a test for multicollinearity. Findings of the study revealed that risk transfer influenced performance of NHIF in that use of outsourcing, high cost of risk premiums and insurance policy and contractual agreements to a third party greatly influenced performance of the Funds projects.

Adeleke (2018), examined how effective communication, team competency, and active leadership affect Nigerian construction risk mitigation strategies. They noted that focusing risk mitigation strategies among construction organization reduces project risk and makes construction more lucrative, on schedule, and within budget. The research studied how internal organization elements affect Nigerian construction businesses' risk mitigation strategies. The research found valid and acceptable metrics for the four internal organization factors; effective communication, active leadership, team competence, and construction risk mitigation strategies abilities. Based on these results, efficient and effective risk mitigation strategies require correct systematic methodology and, significantly, project manager experience, expertise, and communication skills. This information will allow risk mitigation strategies in the Nigerian real estate industry, improving project performance.

METHODOLOGY

In order to achieve the goal and objectives of this study a descriptive research design was adopted. Creswell and Creswell (2017) define a descriptive research design as a framework within which a research is conducted and it consists of a set of outlined guidelines of data collection for the study. Mugenda and Mugenda (2003) describes descriptive research design as a design that describes data and features in relation to study population, this design answers the who, what and how research questions of a study. The major purpose of descriptive research design is to describe the state of affairs as it exists at present (Kothari, 2006).

The target population in this study included a total of 438 project staff (Dahab tower project archives 2024). Given that the study is interested in investigating the personnel that had the richest information pertinent to this research, the target population for this study consisted of a total of 135 respondents who included 10 general managers, 20 project supervisors, 30 M&E officers, 60 project officers, 25 finance officers and 10 project managers. On ther hand by using Slovin's formula the sample size is one hundred and two (102) respondents. Purposive sampling was thought most suited for collecting data from key informants, and the justification for choosing this method was that the researcher was seeking knowledge about the management Dahabshiil bank's opinion of how risk mitigation strategies affect the performance of Dahab tower project in Mogadishu. This study used a self-administered questionnaire for primary data collection, which will be designed by the researcher to distribute it to the members of the study sample.

Data Analysis

Response rate

Out of the 135 respondents sampled for the study, 120 of them completed the questionnaires and presented them for analysis. This represents a response rate of 88.89%. This rate is statistically significant and representative according to Mugenda and Mugenda (2003) who indicated that the response rate of half is sufficient for investigations and revealing, a 60% rate is by and large great while a 70% rate of response is magnificent. This is presented in the table below;

Table 6.1: Response rate

Response rate	**Frequency**	**Percentage**
Response	120	88.89
Non-Response	15	11.11
Total	**135**	**100**

Source: Primary data (2025)

Reliability test

The study conducted a pilot study which was used to test reliability of the study instruments by assessing the consistency of data arising from the use of the study research method. A Cronbach Alpha was used to measure reliability of the research questionnaires. The Cronbach findings were as shown in Table 6.2.

Table 6.2: Reliability test

Variable	**Number of Coefficient**	**Cronbach Alpha**
Risk transfer	5	0.827
Risk transfer	5	0.794
Risk prevention	5	0.809
Risk control	5	0.862
Average		**0.823**

Source: Primary data (2025)

The study indicated that risk transfer as a risk mitigation strategy had a Cronbach Alpha of 0.827, risk prevention had a coefficient of 0.794, risk control had a coefficient of 0.809 while for risk retention it was 0.862. Since the Cronbach alpha coefficients were all more than 0.7 the data collection instruments were deemed statistically reliable to collect data for the study.

The Nature of Respondents

The study assessed the demographic background of the respondents in Dahab tower project in Mogadishu, Somalia based on their age, highest education level, period worked in the project and the job designations of the respondents. The responses were analyzed using frequencies and percentage distributions as shown in below;

Distribution of respondents by Age

The study analyzed the age distribution of the respondents who were the employees within Dahab tower project in Mogadishu, Somalia. This was to ascertain their level of maturity and appropriateness as employees and respondents to the study. The pie chart below presents the findings;

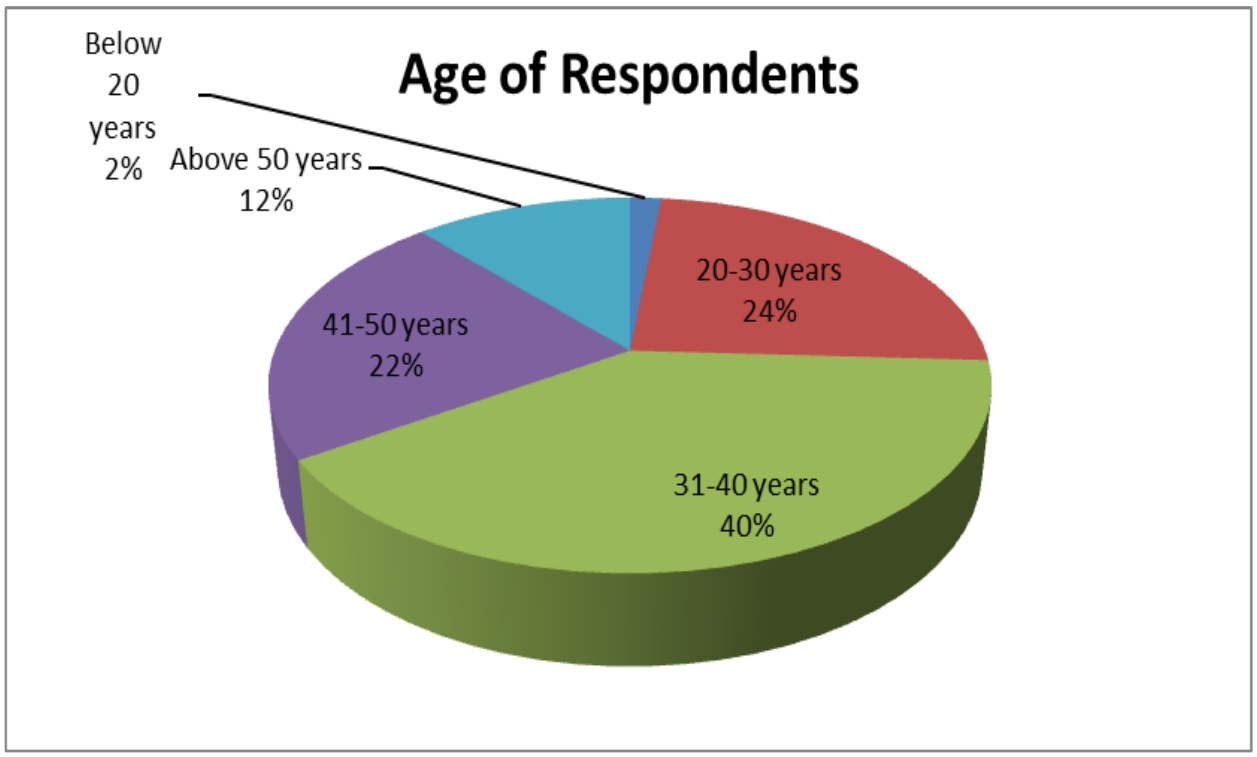

Figure 6.3: Respondents' Age

Source: Primary data (2025)

As presented in figure 4.1 above, 40% of the respondents were aged between 31 and 40 years, 24% were aged between 20 and 30 years, 2% were below 20 years, 12% were above 50 years while 22% were between 41 and 50 years. This indicates that majority of the respondents were aged above 30 years. This shows that they were grown-ups in the active labour force and above to deliver on their mandate.

Distribution of respondents by Age

The study sought to establish the highest education level of the respondents. The findings were as tabulated below;

Table 6.3.3: Distribution of respondents by level of education

Academic qualification	Frequency	Percentage
Primary certificate	0	0
Secondary certificate	2	1.67

College diploma	12	10.00
University graduate	81	67.50
Post-graduate	25	20.83
Total	**120**	**100**

Source: Primary data (2025)

The study established that 1.67% of the respondents in Dahab tower project in Mogadishu were secondary school graduates, 10% had college diplomas, and 67.5% were university undergraduates while 20.83% had post-graduate qualifications. This indicates that most of the project staff among the projects were bachelor's degree holders. This shows that the staff had the necessary academic, skills and knowledge to perform their duties. This also suggests that qualification attainment is a prerequisite for establishments of critical projects like Dahab tower projects which is the highest building ever constructed in Somalia with 26 floors. The findings add a voice to the fact for one to participate complex projects needs a minimum of certificate of its equivalence.

Period worked in the project

The study sought to find out the number of years the respondents had worked in Dahab tower project. The findings were as presented in the chart below;

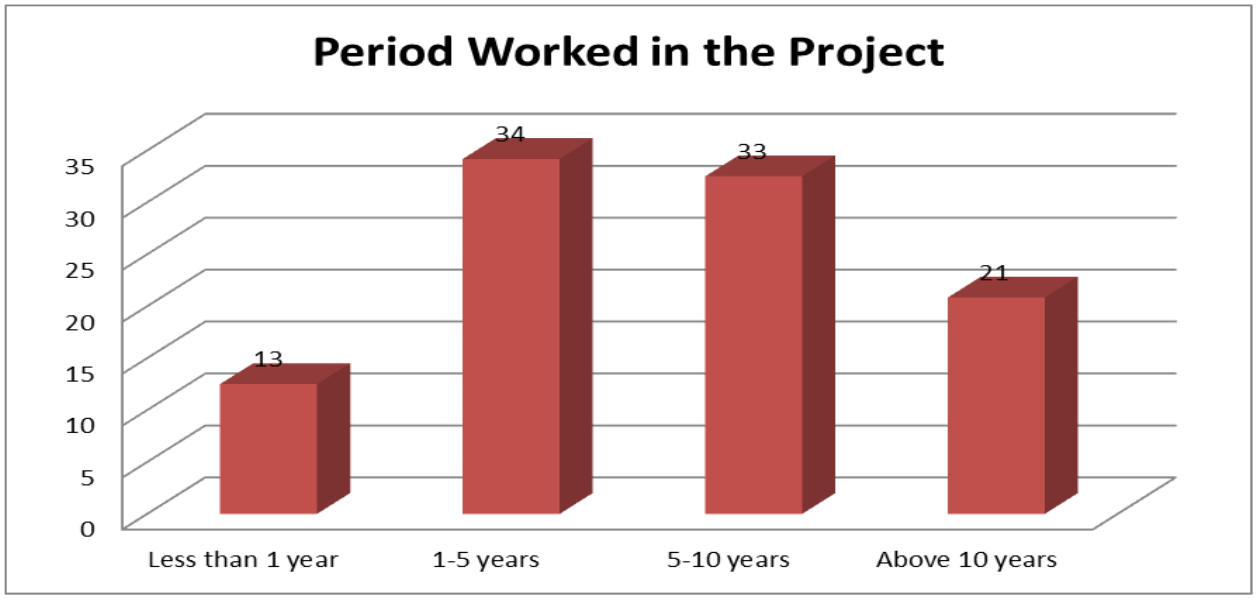

Figure 4.2: Respondents' period worked in the project

Source: Primary data (2025)

The study established that 13% of the respondents had worked for less than 1 year in Dahab project in Mogadishu capital city. 34% had worked for between 1 and 5 years, 33% had worked for between 5 and 10 years while 21% had worked for more than 10 years. This indicates that most of the project staff had worked for more than 1 year in the project hence understood the operations, risks encountered, possible mitigation strategies and project performance. This makes them better in making the study valid.

Job designation

The study in the process of assessing the background information regarding the respondents' suitability for the study, sought to determine the job designation of the respondents in their respective roles in the projects. The figure below presents the findings;

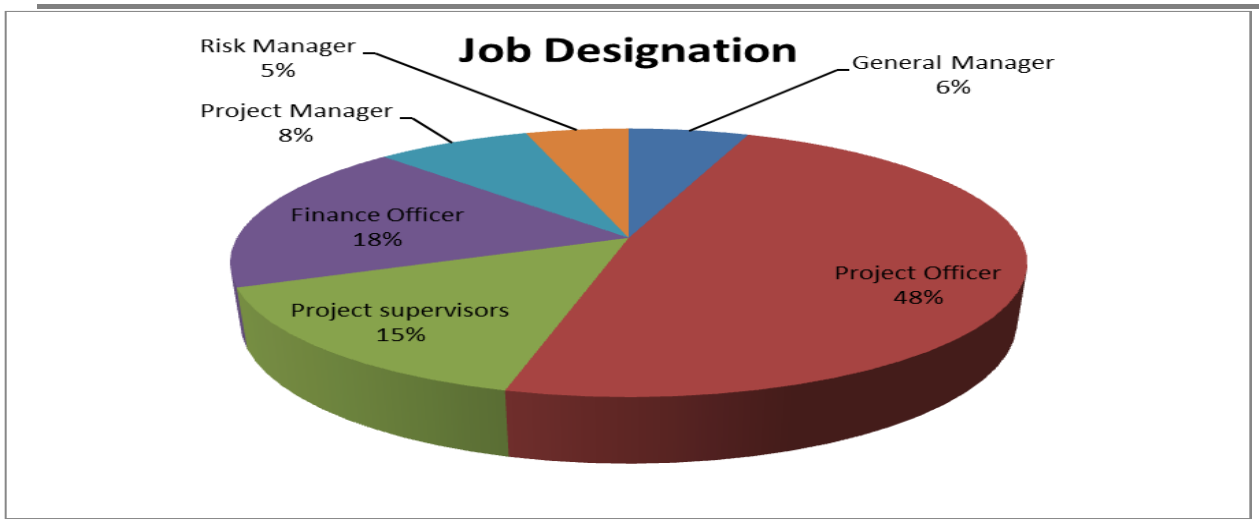

Figure 4.3: Respondents' job designation

Source: Primary data (2025)

As presented in Figure 4.3 above, 5% of the respondents were risk managers in the respective organization, 8% were project managers, 6% were general managers, 48% were project officers, 15% were project supervisors while 18% were finance officers. This indicates that majority of the respondents were project officers. All cadres of management in the project were fairly and significantly represented.

Descriptive findings

The study analyzed the extent to which the independent variables which included risk mitigation strategies were applied to the dependent variable which is Dahab tower project using descriptive statistics. The findings were presented using means and standard deviations as indicated in the subsequent sub-sections.

Risk retention and Performance of real estate industry in Mogadishu-Somalia; case of Dahab tower project

The first objective of the study was to determine the effect of risk retention on performance of real estate industry in Mogadishu-Somalia; Dahab tower project. To this regard, the respondents were asked to indicate the extent to which risk retention affected project performance. The findings were as presented in the chart below;

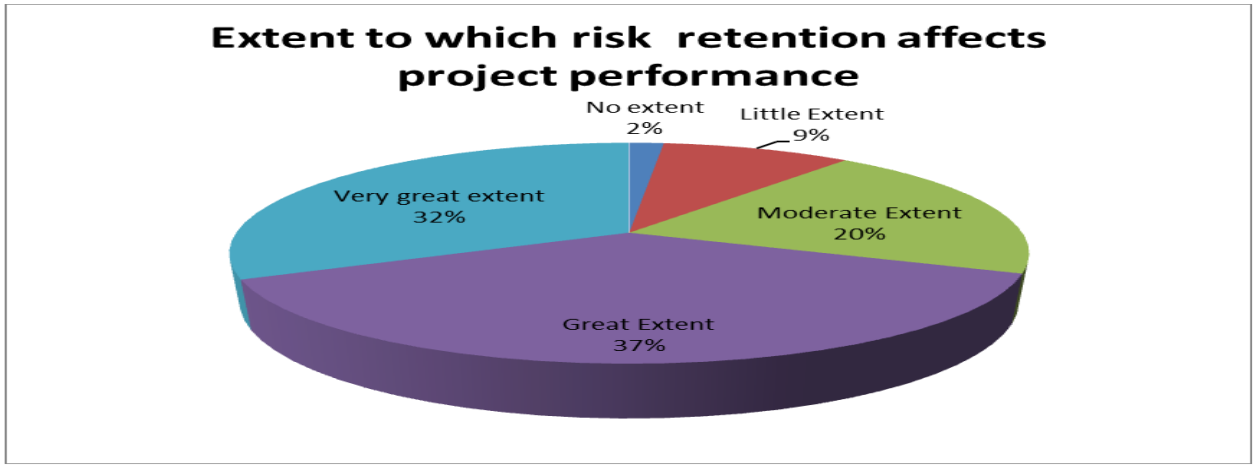

Figure 6.4: Extent to which risk retention affects performance of real estate industry in Mogadishu-Somalia; Dahab tower project

Source: Primary data (2025)

The study respondents indicated that to a great extent (37%) risk retention affected performance of real estate industry in Mogadishu-Somalia specifically Dahab tower project, 20% of them indicated that risk retention had a moderate effect on performance, 9% indicated that it was to a little extent, 2% indicated that it had no effect while 32% indicated that it had a very great effect. This indicates that risk retention to a significantly great extent had an effect on the performance of real estate industry; Dahab tower project in Mogadishu-Somalia.

Naktare (2014) in his study also made similar findings that adopting a contingency plan to minimize hazard risks, financial risks, operational and strategic risks have a direct and significant effect on project performance. The study further asked respondents to indicate the extent to which they agreed or disagreed with the following statements on risk retention on a scale of 1-5 where 1=strongly disagree, 2=disagree, 3- undecided, 4= agree and 5= strongly agree. The findings were as indicated below;

Table 6.4: Risk Retention and Performance of real estate industry in Mogadishu-Somalia; case of Dahab tower project

S/N	Risk retention	Mean	Std. Dev	Interpretation
1	Our organization adopts self-insurance to avoid occurrence of events that may delay projects	3.91	0.861	Satisfactory
2	Our organization sometimes takes no action to identified risks despite the fact that they may affect the duration of the real estate project, as it is beneficial not to deal with them.	3.71	0.791	Satisfactory
3	Our organization advocates for use of alternative plan to avoid any circumstances that result to project delay	3.88	0.688	Satisfactory
	Average mean	**3.84**	**0.780**	**Satisfactory**

Source: Primary data (2025)

Results in table 4.4 indicated that three items were used to measure project risk retention and it was rated satisfactory and this was indicated by the average mean of 3.84, implying that project risk retention is satisfactory in real estate industry specifically at Dahab tower project in Mogadishu-Somalia. The respondents generally agreed that their organization have adopted self-insurance to avoid occurrence of events that may delay projects, sometimes they take no action to identified risks despite the fact that they may affect the duration of the construction project, as it is beneficial not to deal with them and that the organization advocate for use of alternative plan to avoid any circumstances that result to project delay as indicated by a mean of 3.91, 3.71 and 3.88. That generally indicates that the organization significantly employed risk retention practices which included self-insurance, calculated risk management and use of alternative plan.

Risk Transfer and Performance of real estate industry in Mogadishu-Somalia; case of Dahab tower project

The second objective of the study was to analyze the effect of risk transfer on project performance in real estate industry in Mogadishu-Somalia; Dahab tower project. To this regard, the respondents were asked to indicate the extent to which risk transfer affected Dahab tower project performance. The findings were as presented in the chart below;

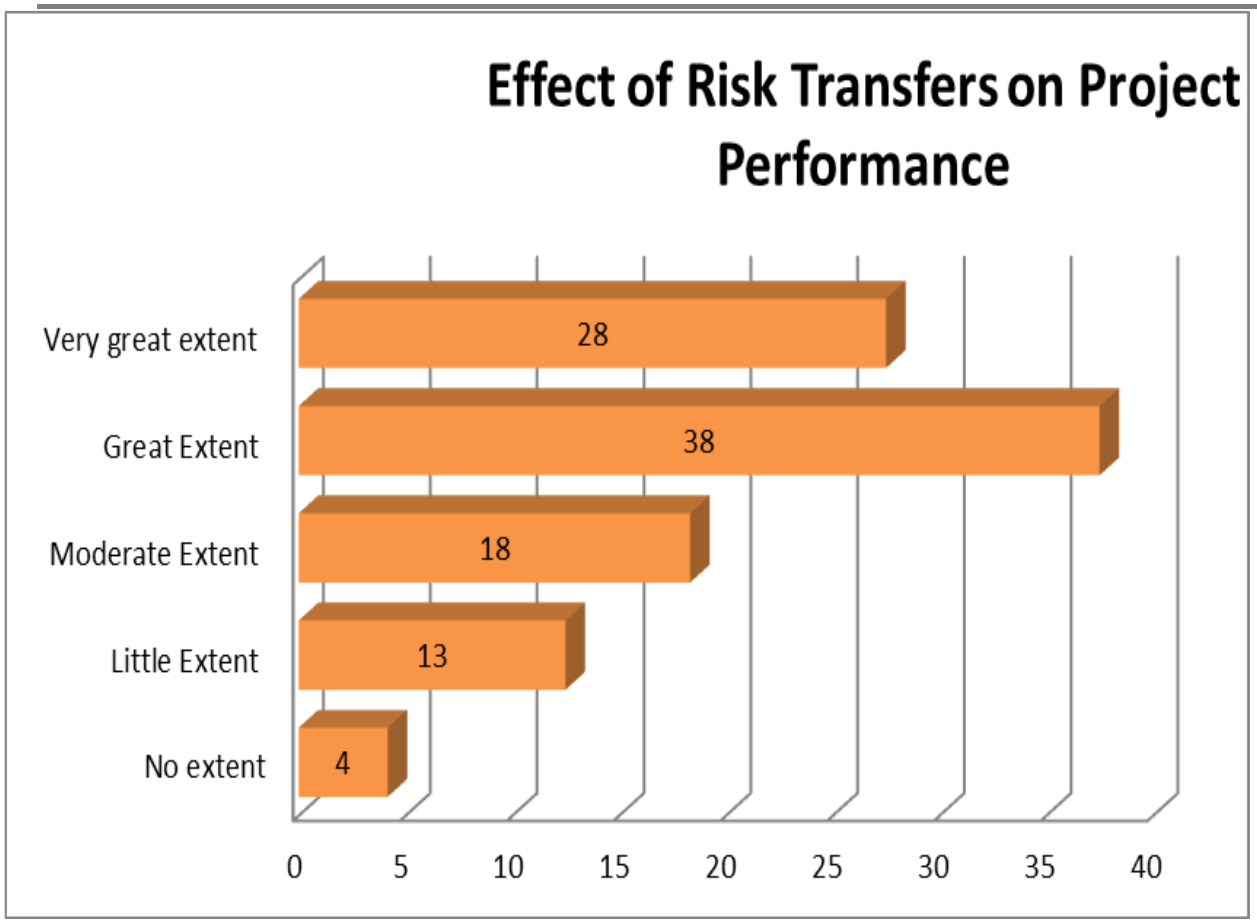

Figure 6.4.1: Extent to which risk transfer affects performance of real estate industry in Mogadisu-Somalia; Dahab tower project

Source: Primary data (2025)

The study established that 28% of the respondents indicated that risk transfers affected real estate projects in Mogadishu-Somalia to a very great extent, 38% alluded that it affected it to great extent, 18% indicated that it was to a moderate extent, 13% were of the opinion that it was to a little extent while 4% indicated that risk transfers had no effect on project performance. This generally indicates that to a great extent, risk transfers had a significant effect on the performance of real estate industry; Dahab project in Mogadishu-Somalia. Similar findings were made by Aduma & Kimutai (2018) in their study on project risk mitigation strategies and project performance where they indicated that risk transfer influenced project performance through the use of outsourcing, high cost of risk premiums and insurance policy and contractual agreements to a third party which greatly influenced performance of the projects.

Further, the respondents were asked to indicate the extent to which they agreed or disagreed with the following statements on how risk transfer affect financial graduation projects performance in their organization on a scale of 1-5 where 1=strongly disagree, 2=disagree, 3- undecided, 4= agree and 5= strongly agree. The findings were as presented in the table below;

Table 6.4.2: Risk Transfer and Performance of real estate industry in Mogadishu-Somalia; case of Dahab tower project

S/N	Risk transfer	Mean	Std. Dev	Interpretation
1	Our organization insures project items such as construction equipment to ensure no circumstances will result to delay in projects.	3.64	0.861	Satisfactory

2	Our organization signs legal agreements to any even that may lead to project delay.	3.18	0.719	Neutral
3	Our organization outsources any project functions example workforce that may cause a delay in project	2.89	0.822	Unsatisfactory
	Average mean	**3.24**	**0.801**	**Neutral**

Source: Primary data (2025)

Results in table 6.4.2 indicated that three items were used to measure project risk transfer and it was rated neutral and this was indicated by the average mean of 3.24, implying that project risk prevention is neutral at affecting real estate industry; Dahab tower project in Mogadishu-Somalia. The respondents agreed that their organization insures project items such as construction equipment to ensure no circumstances will result to delay in projects as indicated by a mean of 3.64 and standard deviation of 0.861. The respondents were however neutral or unsatisfactory on whether their organization sign legal agreements to any event that may lead to project delay and they outsource any project functions example workforce that may cause a delay in a project as indicated by a mean of 3.18 and 2.89 respectively. This indicates that the organization or projects to a significant extent transferred most of their risks especially those that may contribute to project delay through sub-contracting, outsourcing, legal agreements and insurance.

Risk Prevention and performance of real estate industry in Mogadishu-Somalia; case of Dahab tower project

The third objective of the study was to investigate the effect of risk prevention on performance of real estate project in Mogadishu-Somalia; Dahab tower project. The respondents were asked to indicate the extent to which risk prevention included the performance of Dahab project. The figure below presents the findings;

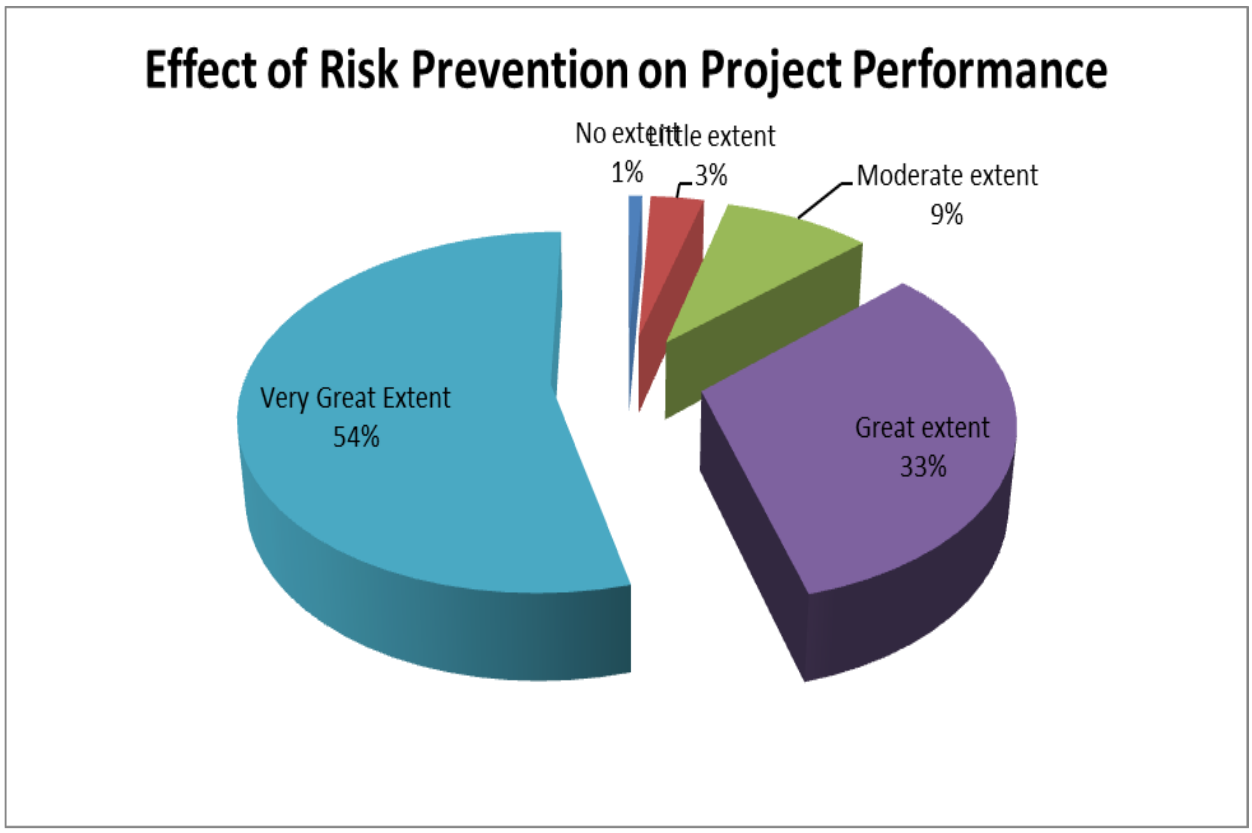

Figure 6.4.3: Extent to which risk transfer affects performance of real estate industry in Mogadishu-Somalia; Dahab tower project

Source: Primary data (2025)

54% of the respondents indicated that risk prevention to a very great extent affect real estate industry in Somalia specifically Dahab tower project, 33% indicated that it was to a great extent, 9% indicated that it was to moderate extent, 3% indicated that it was to a little extent and 1% indicated that risk prevention didn't have any effect on project performance. This generally indicates that to a significant extent, risk prevention as a risk management practice influenced project performance. Wabomba (2015) in his study on the influence of risk management strategies on project performance in international development organization in Nairobi City indicated similarly that changing of work plans to avoid risks, contingency, regular inspections, operational reviews, trainings and skill enhancements in order to prevent risks contribute significantly to project performance.

The respondents were requested to further indicate the extent to which they agreed or disagreed with the following statements using a scale of 1-5 where 1=strongly disagree, 2=disagree, 3- undecided, 4= agree and 5= strongly agree. The study had the following findings;

Table 6.4.3: Risk prevention and Performance of real estate industry in Mogadishu-Somalia; case of Dahab tower project

S/N	Risk prevention	Mean	Std. Dev	Interpretation
1	Our organization ensures installation of safety systems against any event that may lead to project delay	2.88	0.798	Unsatisfactory
2	Our organization advocates for the use of alternative plan in case of occurrence of any event that may cause project delay	3.14	0.911	Neutral
3	Our organization through project officials inspects ongoing projects to ensure projects are not delayed	3.71	0.801	Satisfactory
4	Our organization encourages use of a detailed work plan to ensure no event leads to delays in projects	3.66	1.466	Satisfactory
5	Our organization trains project team to ensure that projects run within the allocated time schedule	3.91	0.769	Satisfactory
	Average mean	**3.46**	**0.949**	**Neutral**

Source: Primary data (2025)

Results in table 4.6 indicated that five items were used to measure project risk prevention and it was rated neutral and this was indicated by the average mean of 3.46 implying that project risk prevention is neutral in real estate industry; Dahab tower project in Mogadishu-Somalia. The respondents agreed that their organization through project officials inspect ongoing projects to ensure the projects are not delayed; the organization encourage use of a detailed work plan to ensure no event leads to delays in projects and the organization train project teams to ensure that projects run within the allocated time schedule as indicated by a mean of 3.71, 3.66 and 3.91 respectively. The study respondents agreed unsafictory to a moderate extent that their organization ensures installation of safety systems against any event that may lead to project delay and advocates for the use of alternative plan in case of occurrence of any even that may cause project delay as indicated by a mean of 2.88 and 3.14 respectively. This indicates that the organization significantly embraced risk prevention mechanisms which involved installation of safety systems, having alternative plans, inspection and feedback, use of a detailed work plan and capacity building among project team members.

Risk control and Performance of real estate industry in Mogadishu-Somalia; case of Dahab tower project

The fourth objective was to examine the effect of risk control on performance of real estate industry; Dahab tower project in Mogadishu-Somalia. The findings were as presented below;

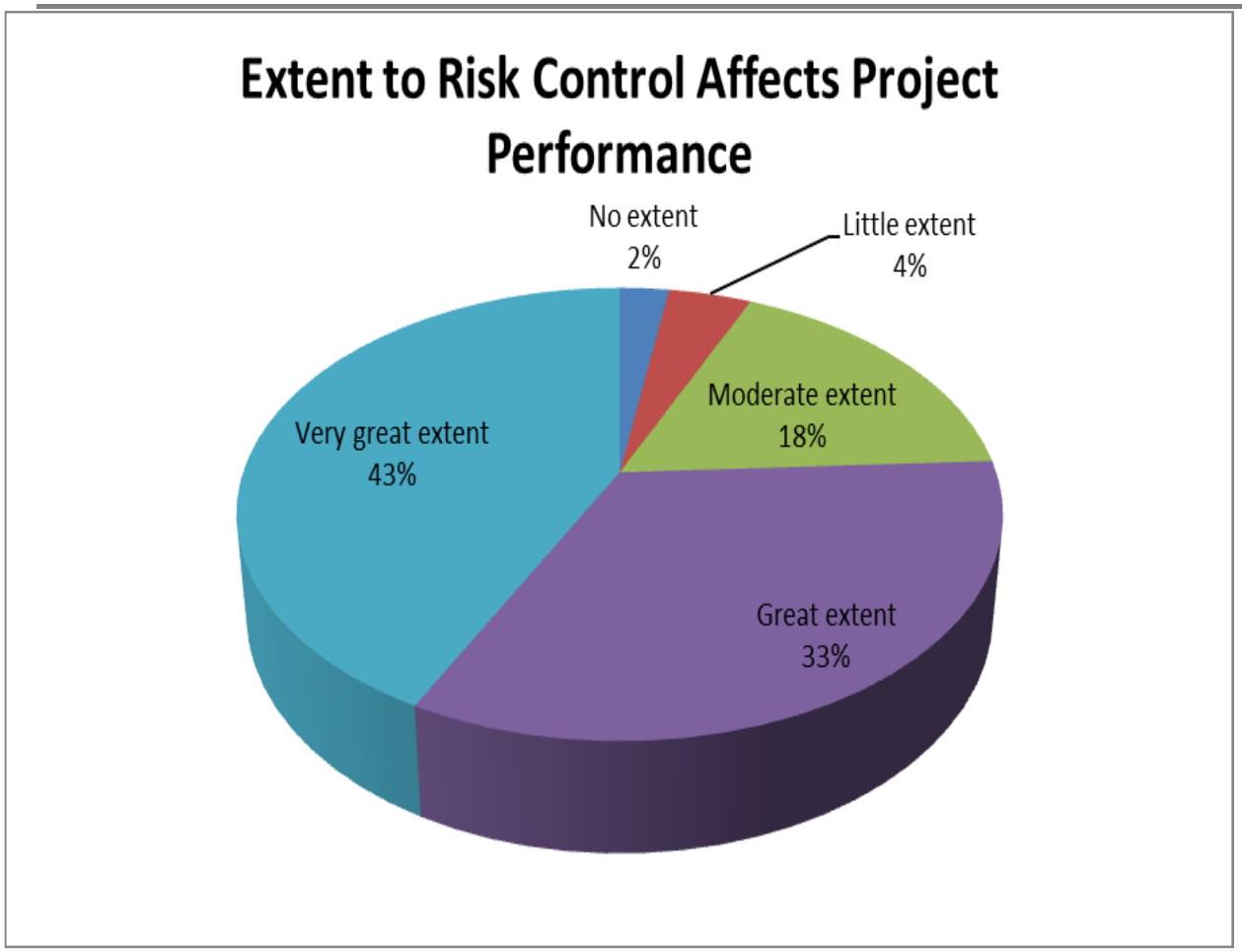

Figure 6.4.4: Extent to which risk control affects performance of real estate industry in Mogadishu-Somalia; Dahab tower project

Source: Primary data (2025)

43% of the study respondents indicated that risk control to a very great extent influenced on the performance of real estate industry in Mogadishu capital city Dahab tower project, 33% indicated that it was to a great extent, 18% were for moderate extent, 4% to a little extent while 2% indicated that it was to no extent. This shows that risk control significantly and to a great extent affected the performance of real estate industry; Dahab tower project in Mogadishu-Somalia. Similarly, Okumu and Wanjira (2017) in their study on risk mitigation strategies and performance of insurance industry in Kenya established that risk control strategies such as risk control meetings, use of quality assurance, signed contracts and use of contingency positively influenced performance of firms. The respondents were further asked to indicate the extent to which they agreed or disagreed with the following statements on risk control on a scale of 1-5 where 1=strongly disagree, 2=disagree, 3- undecided, 4= agree and 5= strongly agree. The study findings were as tabulated below;

Table 6.4.4: Risk Control and Performance of real estate industry in Mogadishu-Somalia; case of Dahab tower project

S/N	Risk control	Mean	Std. Dev	Interpretation
1	Our organization identifies risks associated with projects	2.45	0.850	Unsatisfactory
2	Our organization separate actual risk events from sources of risks	2.69	0.697	Neutral
3	Our organization through the risk managers respond	3.56	0.717	Satisfactory

	to risk			
4	Our risk manager responds to risks appropriately as defined in the risk management plan	2.71	0.811	Neutral
	Average mean	**2.85**	**0.768**	**Neutral**

Source: Primary data (2025)

Results in table 4.7 indicated that four items were used to measure project risk control and it was rated neutral and this was indicated by the average mean of 2.85 implying that project risk control is neutral in real estate industry; Dahab tower project in Mogadishu-Somalia. The respondents disagreed that their organization identifies risks associated with projects as indicated by a mean of 2.45 and standard deviation of 0.850. They however to a moderate extent agreed that their organization separate actual risk events from sources of risks and risk managers respond to risks appropriately as defined in the risk mitigation plan as indicated by a mean of 2.69 and 2.71 respectively. They on the other hand agreed that their organization through the risk managers respond to risk as indicated by a mean of 3.56 and standard deviation of 0.717 respectively. This indicates that to a moderate but significant level, the organization were found to employ risk control mechanisms which include risk identification, separation of risks, response to risk and use of risk management plan.

Performance of real estate industry; case of Dahab tower project in Mogadishu-Somalia

The dependent variable of the study was performance of real estate industry; case of Dahab tower project in Mogadishu-Somalia. This section contains statements related to the performance of construction projects in terms of quality expected and meeting the schedule. The respondents were asked to indicate the extent to which they agreed or disagreed with the following statements on project performance on a scale of 1-5 where 1=strongly disagree, 2=disagree, 3- undecided, 4= agree and 5= strongly agree. The findings were as indicated below;

Table 6.4.1: Performance of real estate industry; case of Dahab tower project in Mogadishu-Somalia

S/N	Performance of real estate projects	Mean	Std. Dev	Interpretation
1	In my own point of view risk transfer to third-party leads to the timely of the completion of the project.	3.66	0.719	Very satisfactory
2	Project Retention risk lead to timely completion of the project.	4.01	0.902	Very satisfactory
3	Our organization has been able to complete the project on time over the past one year	3.81	0.843	Very satisfactory
	Average mean	**3.82**	**0.821**	**Very satisfactory**

Source: Primary data (2025)

Results in table 6.4.1 indicated that three items were used to measure performance of real estate industry in Mogadishu-Somalia and it was also rated very satisfactory and this was indicated by the average mean of 3.82 implying that performance of real estate industry is Very satisfactory in real estate industry; Dahab tower project in Mogadishu-Somalia. The respondents agreed that in their own point of view risk transfer to third party leads to the timely completion of projects, project retention of risk leads to timely completion of projects and the organization have been able to complete projects on time over the last one year as indicated by a mean of 3.66, 4.01 and 3.81 respectively. This indicates that the performance of Dahab tower project in Mogadishu-Somalia was above expectations. The respondents indicated that risk mitigation practices improve project performance as indicated by 81% of them. This signifies the relationship between the two main variables of the study.

Inferential Statistics

The study used regression analysis to establish the relationship between the dependent variable (Performance of real estate industry; Dahab tower project) and independent variable (Risk mitigation strategies) of the study. The findings of Model Summary, ANOVA and Coefficient of Regression were as indicated in the following sections.

Model Summary

The findings of coefficient of correlation and coefficient of determination are as shown in Table 4.9.

Table 6.5.1: Model summary

Model	R	R square	Adjusted r square	Std. Error of the estimate
1	.819[a]	.856	.849	1.61972

Predictors: (constant), risk transfer, risk prevention, risk control and risk retention

Source: Primary data (2025)

The table above shows that coefficient of correlation R of 0.819 an indication of strong correlation between the variables. The adjusted R2 was 0.849 which implies that 84.9% of the variation in project performance was accounted for by the four independent variables which include: risk transfer, risk prevention, risk control and risk retention. The residual of 15.1% can be explained by other variables not incorporated in the current study.

ANOVA

An ANOVA was conducted at 95% level of significance. The findings of F Calculated and F Critical are as shown in Table 4.10.

Table 6.5.2: ANOVA

Model	Sum of squares	Df	Mean square	F	Sig.
Regression	716.233	10	71.6233	19.0401	.000[b]
Residual	414.122	110	3.7617		
Total	1130.355	120			

a. Dependent variable: Project performance of real estate industry in Mogadishu-Somalia

b. Predictors: (constant), risk transfer, risk prevention, risk control and risk retention)

Source: Primary data (2019)

It was established that the study had F Calculated of 19.0401 and F Critical was 5.8126, this show that of F Calculated > F Critical an indication that the overall regression model was significant for the study. The p value was 0.00<0.05, an indication that at least one independent variable significantly influenced the performance of real estate industry; Dahab tower project in Mogadishu-Somalia.

Regression Coefficient

The study used a regression coefficient to establish the effect of individual variables of risk mitigation strategies on performance of Dahab tower project in Mogadishu-Somalia. The findings are indicated in Table 4.11.

Table 6.5.3: Regression Coefficient

Model	Unstandardized Coeffients		Standardized Coefficients		
	B	**Std. Error**	**Beta**	**T**	**Sig.**
(constant)	5.194	1.06		2.213	.000
Risk transfer	0.816	.041	.526	2.366	.000
Risk prevention	0.799	.039	.175	3.712	.000
Risk control	0.893	.071	.499	2.539	.000
Risk retention	0.801	.082	.487	2.410	.000

a. Dependent variable: performance of real estate industry in Mogadishu-Somalia; Dahab tower project

Source: Primary data (2025)

Y = 5.194 + 0.816X1 + 0.799X2 + 0.893X3 + 0.801X4

Whereby: Y = Performance of real estate industry in Mogadishu, Somalia

X1 = Risk transfer

X2 = Risk prevention

X3 = Risk control

X4 = Risk Retention

Table 4.11 indicates that all variables held constant, project performance would be at 5.194 this indicates that performance of the projects can still take place without the influence of the stated variables. The variable coefficients indicate that the relationship between risk management strategies identified and performance of real estate industry Dahab tower project in Mogadishu-Somalia was positive and significant. These findings are similar to those by Aimable, Shukla and Oduor (2015) who on their study on effects of risk management methods on project performance in Rwandan Construction industry. The researchers indicated that detailed that risk mitigation strategies have a significant and positive effect on performance of real estate industry Dahab tower project in Mogadishu-Somalia.

The p values of all the independent variables which include project planning, monitoring and evaluation, communication and stakeholder participation were 0.000<0.05 an indication that the variables significantly influenced performance of Dahab tower project in Mogadishu City. This is supported Ubani, Amade, Benefidct, Aku, Agwu and Okogbuo (2015) who in their study on project risk management issues and project performance concluded that project management practices are critical for peak project performance. The study indicated that organization adjust plans and scope of work in order to counter risk effects, monitoring risks making timely decisions and keeping project managers informed about possible risk contributes to positive project performance.

Concluding Remark

This study set out to investigate the relationship between risk mitigation strategies and the performance of the Dahabshiil Bank Dahab Tower project in Mogadishu, Somalia. The findings reveal that key risk management strategies; namely risk retention, risk transfer, risk prevention, and risk control have a significant and positive

impact on project performance. The study confirms that the effective application of these strategies contributes to better planning, timely project completion, cost control, and overall quality, which are essential components of successful real estate development. The statistical analysis further demonstrated that variables such as project planning, stakeholder engagement, monitoring and evaluation, and communication play a crucial role in enhancing the effectiveness of risk mitigation. These findings align with previous studies conducted in other contexts, such as Rwanda and Nigeria, affirming the universal importance of sound risk management practices in construction and real estate industries. Given the unique challenges faced by the real estate sector in Mogadishu including political instability, financial uncertainty, and infrastructural limitations this study provides timely and practical insights. It highlights the necessity of adopting structured and proactive risk mitigation frameworks tailored to the local context. Furthermore, it calls for industry stakeholders and policymakers to institutionalize these practices across future projects to improve performance and reduce losses.

In conclusion, risk mitigation is not merely a protective mechanism but a strategic tool that directly contributes to the success of real estate projects. As demonstrated by the Dahab Tower case, embracing comprehensive risk mitigation practices is critical for fostering sustainable development in Mogadishu's growing real estate sector.

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