

Informal backyard housing development at a **CROSSROADS**

Townships in Gauteng and the Western Cape are abuzz with construction activity as homeowners respond to the need for housing by building and upgrading backyard rental units. This trend has the potential to improve living standards in townships and make cities more compact, integrated and efficient. A recent gathering of public- and private-sector representatives agreed that the government needs to support individuals by simplifying the building process and drawing investment into townships and informal settlements.

By Andrea Teagle

Xoliswa Sidinile outside her property in Khayelitsha, Cape Town, December 2020. Photo: Andrea Teagle

When Xoliswa Sidinile (40) left the Eastern Cape for Cape Town in 1998, she could only afford a simple shack. In 2015, she and her husband received an RDP house in Khayelitsha. Like many others in the area, she built a shack in the back yard. Today, that shack has been replaced by a smart, two-storey block of flats. Sidinile's story tracks the changing nature of backyard housing rental in South African townships.

Informal rental housing is an integral part of the housing landscape in South Africa, a product of historical spatial segregation and urbanisation. In the 1990s, two-storey rental units were unheard of and most landlords only received enough rent to cover their costs – what the HSRC's Andreas Scheba and Ivan Turok termed

[subsistence letting](#). The formal housing market, rather than reducing informal renting, ironically [augmented it](#), as many RDP owners began to rent out backyard space in what has become a particularly South African phenomenon.

In the last few years, this market has boomed, with backyard rental dwellings becoming the [dominant type](#) of informal rental housing. While shacks are still most common, many homeowners like Sidinile are upgrading their units, contributing to improved living conditions in some areas.

“Higher-quality backyard renting is emerging in places like Delft [also a Cape Town township] because of the growing demand from young black professionals and white-collar workers,” [write Scheba and Turok](#). These individuals are seeking to be closer to jobs, or to transport networks, and often don’t intend to stay in the flats permanently.

Speakers at a recent HSRC webinar on backyard rental outlined how, with enough set-ups like Sidinile’s, neighbourhoods and cities can start to function differently. Development creates jobs and enhances skills.

Second-floor flats can clear the ground-level spaces for commercial activity, turning main streets into economic hubs. As Turok writes, building upwards rather than outwards is necessary to realise the [promise of urban density](#). Transport, schools and clinics become more viable. This is the backyard real estate story with a happy ending.

There is, however, another all-too-familiar end to this story, one that is characterised by ramshackle buildings and overcrowded conditions, failing infrastructure, and no access to basic services. At the webinar, the City of Cape Town’s Charles Rudman, executive director of the Spatial Planning and Environment Portfolio Committee, noted how in Dunoon, another township on the outskirts of Cape Town, a [laissez-faire approach](#) has resulted in raw sewage in the streets, structural instability and an increased risk for fires. A downward spiral like this can result from municipal ambivalence and neglect of intensive backyard renting.

Streamlining regulations

Rudman, who previously worked for the Khayelitsha planning office, reported that an analysis undertaken

by the City of Cape Town showed that between 2011 and 2018, enterprising households and small-scale developers in Khayelitsha built about 7 000 micro-rental units on 9 000 properties. Significantly, almost half of these (40%) were brick-and-mortar dwellings. Extrapolated across Khayelitsha, this amounts to an estimated 24 000 additional units.

However, as Rudman and other webinar presenters noted, the trend was happening not because of, but despite the government. “Official indifference to informal rental housing ... means the potential negative externalities (health and safety risks, unfair landlord-tenant relations, overloaded public infrastructure) can be neglected,” Turok and Scheba write.

Speaking at the webinar, Scheba said, “We need to create a more appropriate regulatory environment, more streamlined administrative processes, and a strong enforcement capacity on the ground to support those bottom-up activities, which, until now, have largely been informal.”

Some steps have been taken in this direction. According to Rudman, Cape Town’s mayoral committee



has approved measures to enable property owners to develop small-scale accommodation. These include an agreement to amend the zoning in certain areas to eliminate the need for planning permission, and to create pre-approved, off-the-shelf building plans for homeowners to choose from. Small-scale builders would also be exempt from having to pay building-plan fees and the approval of small-scale building plans would be prioritised.

The committee had also agreed to establish a list of accredited registered credit providers. Funding public infrastructure would require further discussion, Rudman said.

In Gauteng, meanwhile, the draft Gauteng Township Economic Development bill aims to streamline bylaws that regulate commercial activity, and to allow for the designation of precincts and township high streets, said Jak Koseff, a representative of the Office of the Premier, Gauteng Provincial Government. (The same bill, however, is [undermined](#) by clauses that infringe on the [rights of foreign migrants](#) to participate in township economies.)

A precinct-based approach

One of the challenges of harnessing the potential of the backyard development trend is how to provide additional water and bulk infrastructure to cope with the growing population.

The speakers agreed that taking a forward-thinking, precinct-based approach to development would support access to electricity, water and other basic services. Such an approach could incorporate off-grid, micro-grid and micro-sanitation infrastructure that municipalities could buy from independent suppliers. Zama Mgwatyu of the Development Action Group suggested that the national government could assist municipalities by providing a municipal infrastructure grant. He also noted that traditional banks had shown little appetite to finance the sector.

Koseff argued that the private sector would enter the space if it had the option to invest in a portfolio of backyard upgrades, rather than individual developments. “[Banks] want to provide wholesale funding, possibly through instruments like our

township Economic Development Fund. But really, ultimately it doesn't matter who does the agglomeration, but agglomeration is needed ... to diversify the risk.”

According to Koseff, Gauteng had partnered with [Indlu, a mobile application that helps tenants find, pay for and manage their monthly rentals](#), to finance backyard development in certain areas of Gauteng. “Developing a precinct like Thembisa or large-scale sets of interlocking precincts in Alexandra, Soweto, etc. in Gauteng, is going to provide an opportunity to battle-test some of that regulatory reform.”

Suggesting that Cape Town first focus on amending zoning in areas where development is already taking place, Rudman observed: “Sometimes you need to sell an approach to politicians.”

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Dense housing in Khayelitsha, Cape Town
Photo: *Johnny Miller*

