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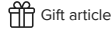
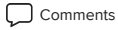
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# Cape Town to subsidise 'backyard' house building

news24

Compiled by Carol Paton



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**The City of Cape Town is to subsidise entrepreneurs to build rental housing in townships.**

**Development costs - water, sewerage, roads etc - will be subsidised.**

**Micro-developers could include families with enough land to build backyard accommodation.**

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The City of Cape Town is to launch an innovative low-cost housing solution that will subsidise the private construction of rental accommodation in the City's most affordable formal areas.

The innovation is aimed at "micro-developers" and will include people with sufficient space on their own land to construct backyard accommodation that complies with city regulations. The mayoral committee (MC) approved the policy on Tuesday, and it will be put to the full Council for adoption.

Cape Town has a thriving low-cost rental market with hundreds of thousands living in backyards, often in insecure accommodation and often with minimal services. The housing backlog is estimated at 600 000 households. A backyard shack can command up to R500 a month in rent.

The City will kick-start a new Development Charges Fund with funding of R20 million to

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Said Mayor Geordin Hill-Lewis:

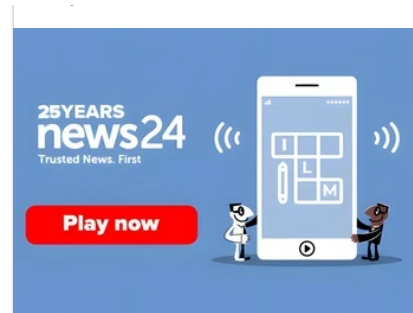
**This is an important step that has the potential to unlock investment in new affordable housing development far faster than the government can build. This is harnessing the power of private investment to achieve an important public outcome: more affordable accommodation.**

The City also has a thriving small-scale construction industry that it hopes will be boosted through the subsidy arrangement. A micro-developer could be any entrepreneur who builds six to 12 units on an erf or a land owner with an erf big enough to build small-scale rental units.

Once the Development Charges Fund has been approved by the Council, these property owners can apply to the City for their development charges to be subsidised from this fund, which will significantly bring down the cost of building the rental units. The City will implement the project in partnership with the non-governmental policy advocacy group, the Development Action Group.

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Deputy Mayor and MC member for Spatial Planning and Environment, Alderman Eddie Andrews, said: "In so doing, the City can assist lower-income families to fully utilise their properties to earn an income from rental units, and at the same time, these property owners and other micro-developers will assist with the supply of affordable rental accommodation in areas where it is most needed."



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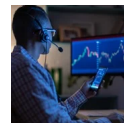
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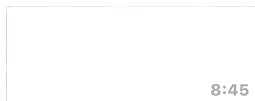

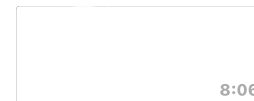



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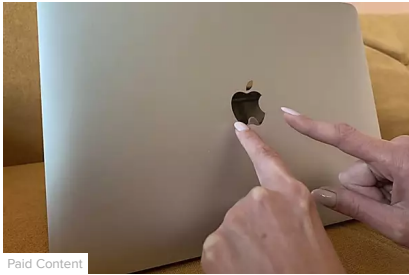
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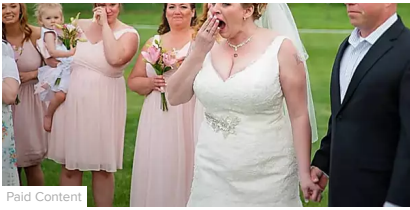
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