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## The city outside the city: governance and growth on the urban periphery

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*Millions of South Africans are opting for a "third way" of urban living: low-density, spacious housing on the urban periphery under traditional land tenure. These settlements are the product of "co-production" between residents, traditional leaders, and a fragmented state. While they offer a powerful aspirational vision for many, they also present a looming governance crisis characterized by a breakdown in the social contract and a "fiscal exit" from municipal land taxation systems. Addressing this requires a paradigm shift in urban planning—one that moves away from the ideal of the "compact city" towards a serious engagement with the spatial and political realities of the exurban frontier.*

On the hills and in the valleys south-east of Pinetown, just past the last of the gated estates and cul-de-sacs of the suburbs, the tarred roads deteriorate and lead into a landscape that is no longer so densely urban, but not quite rural. Minibus taxis ferry people to and from the city, cell towers mark the skyline, and satellite dishes dot the rooftops of homes. This is Dassenhoek, one of a string of fast-growing settlements spreading across peri-urban land. To the South African eye, it resembles a township like any other. Houses stand in neatly demarcated plots, there is a mix of formal and informal construction, and the transport arteries are dotted with spaza shops and taverns.

But in places such as Dassenhoek, the land has never been formally proclaimed for urban development. It falls under the authority of the Ingonyama Trust (a statutory body established in 1994 to manage about 2.8 million hectares of tribal land in KwaZulu-Natal) and though it is only 35 minutes from Durban's city centre, it is for all intents and purposes governed not by the municipality, but by traditional authorities. Most residents [do not have title deed](#). Their security of tenure is based on 'Permission to Occupy' (PTO) certificates from *amakhosi* (local chiefs), or informal sales agreements. Houses are built on plots pegged out not by surveyors but by local intermediaries. There is little in the way of public infrastructure, such as stormwater drains and feeder roads. There is no effective formal land-use planning. Yet development proceeds apace. Brick homes rise behind simple fences, and in some places double-storey houses appear on slopes once covered in sugarcane. There is even a property market of sorts, with houses for sale advertised on Facebook or local WhatsApp groups.

**Commented [PG1]:** I know technically this is a French word and the plural should be after "cul" but Meriam's advises that in colloquial English we should put it after the second term.

This is not a rural periphery. It is not the informal backyard of the city. It is something else - an emergent form of [urbanism](#) straddling the [institutional fault lines](#) between municipal government and traditional authority, between state-sanctioned planning and organic development. Here in Dassenhoek, the boundaries between rural and urban, formal and informal, public and customary, are being actively redrawn by residents, land allocators, and service providers. The result is a city outside the city; a self-built suburb without cadastral maps, without property deeds; legally invisible, but with roads, shops, electricity, and lives that are indisputably urban.

New urban structures like this are taking shape in many locations in former homeland areas. Large numbers of middle- and working-class people are choosing to invest their savings in land governed by traditional authorities, rather than in properties situated in the formal suburbs. They simply obtain permission from chiefs or local headmen and then build there, investing savings into land to which they do not hold formal title, and with only minimal reliance on the institutions of mortgage finance.

These settlements are reshaping the peri-urban fringes of cities such as eThekweni, Tshwane and Mbombela. Despite the lack of cadastral registration, formal services, or municipal oversight, they are thriving. Property markets are emerging, infrastructure is being informally, privately or partially provided, and residents are investing considerable sums into durable and quality housing. As such, they represent a significant but insufficiently recognised form of urban development, one that troubles conventional dichotomies between formal and informal, rural and urban, or customary and statutory, and which questions orthodox doctrines about compaction and sprawl. In this way they pose an important challenge to the assumptions of South African planning legislation, urban policy, and theories of land governance.

A key feature of these developments is that they take place largely outside the view of the informatics and surveillance systems developed to support urban development by the South African state. [Census data](#) are out of date and unreliable, and there is no central repository of land allocations or a record of informal land rights.

In our [recent paper](#) on this, supported and published by the [New South Institute](#), we drew on four case studies: KwaMhlanga (Mpumalanga), Dassenhoek (eThekweni), Hammanskraal (Tshwane), and Kabokweni (near Mbombela, also in Mpumalanga).

These case studies suggest that the ex-urban settlements currently taking shape in South Africa's urban landscape are spatially expansive, low-density, and transit oriented. They often emulate middle-class suburban aspirations including large homes, boundary walls, landscaping, and paved driveways. They reflect emerging forms of property investment, with visible markers of class differentiation in housing quality, plot landscaping, and access to services.

Municipalities tacitly accommodate these developments, even while sometimes professing to oppose them.

These developments are closely tied to the commodification of land under customary tenure and the development of emergent markets in informal property. Despite the fact that they take shape on unproclaimed land, relying on land rights that are invisible to the South African cadastre and ignored by institutions of mortgage finance, functioning land and housing markets are evident across all four sites. Land sales, speculative investment, and home rental markets are developing even in the absence of formal title. In some areas, properties are being advertised online, including by estate agents and financial institutions, putting into question Hernando de Soto's doctrine that titling is a prerequisite for [market participation](#).

But these settlements are [excluded](#) from (and in large part represent a deliberate decision to exit from) municipal revenue systems and land-use plans, which raises questions about who is responsible for infrastructure, service delivery and regulation.

As a result, roads are often informal, water is accessed through private providers, sanitation is reliant on off-grid solutions, and stormwater drainage systems are absent. Unregulated and ineffective waste management systems may pose risks to health, safety, and environmental sustainability. There is a notable lack of investment in appropriate and usable forms of public space.

## Implications and policy recommendations

There is a need for a policy shift to recognise these settlements and to move beyond [planning orthodoxy](#).

This could include:

- Flexible land administration tools, and the recognition of existing systems of off-register rights records built around documentary and archival systems such as iRasit (in KwaMhlanga) and Permission to Occupy certificates.
- A resolution of the ambiguity around the role of traditional authorities in land allocation and service delivery in a way that preserves democratic oversight, accountability, and institutional support of the constitutionally protected [customary and informal land rights](#) of occupiers.
- A resolution of the fiscal impasse that undermines the sustainability of service delivery and infrastructural development in these settlements. It is likely that the current situation reflects not simply a technical failure of revenue collection, but a deliberate strategy of fiscal exit with echoes of the rent and service-charge boycotts that delegitimised Black Local Authorities in the 1980s. Given the significant size of the investment flows these settlements represent, there is clearly a case for imposing at least a nominal burden of rates or levies. But even the lightest burden will require a social contract binding citizens to the state through the provision of services and the payment of rates.
- A shift in planning paradigms away from compact city orthodoxy. Policy makers need to engage seriously with the spatial preferences of exurbanites. Low-density, spacious, owner-built housing on the urban periphery represents a deliberate investment strategy and an aspirational vision rather than a failure of urban policy.
- Most urgently, before any of these steps can be taken, there is a need to invest resources into better understanding these landscapes, and ending their statistical invisibility.

The city outside the city cannot be understood through existing categories of planning or governance. It demands a new research agenda capable of registering the scale, complexity, and political significance of these forms of urbanisation, and of developing theoretical and policy frameworks that can respond to them with the seriousness they deserve.