

# POLICY : HOME ENTERPRISES

Item B-DP (2-2003)  
MC 12.6.2003

STANDARDISATION OF DEVELOPMENT PLANNING POLICIES : POLICY  
ON HOME ENTERPRISES

## RESOLVED:

1. **That** the contents of the report regarding the Standardisation of the Development Planning Policy in respect of Home Enterprises attached as Annexure "A" to the report, **BE NOTED** and that the said policy **BE APPROVED**.
2. **That** the Executive Director: Development Planning, or her nominee, **BE COMMISSIONED** to submit a report to Council in respect of the approval of an application fee of R50,00 payable on applications for Home Enterprises.
3. **That** all provisions in existing Town-planning Schemes which are in conflict with the Development Planning Policy on Home Enterprises **BE AMENDED** in accordance with the policy within a period of one year.
4. **That** the provisions of the policy **BE APPROPRIATELY COMMUNICATED** to Ward Committees and relevant stakeholders by the Development Planning Department.

# HOME ENTERPRISE POLICY

**JUNE 2003**

**PREPARED BY:  
DEVELOPMENT  
PLANNING  
DEPARTMENT**

*Approved at Mayoral Committee  
2003.06.12  
ITEM B-DP (2-2003)*



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## 1. PROBLEM STATEMENT

Numerous people from the community operate their professions/ occupations from their residential properties.

There are numerous reasons why it occur, the main reasons being:

- The profession or occupation is of such a nature and scope that it does not justify the acquisition of a full business property, considering business property taxes and the size of the floor area needed (approx 50m<sup>2</sup>/ one office);
- The person does not have the financial means to acquire a business property;
- Retrenchments;
- Some persons do it as a hobby/ and or second income;
- It is of such a nature that it does not competitively compete with formal businesses;
- In some areas, there is no formal business infrastructure serving the immediate community, which in many cases do not have transport to visit formal businesses.
- Safety and convenience.

## 2. PURPOSE

The purpose of a home enterprise policy is to recognise the need for and existence of occupations from home and standardise conditions on which these professions/ occupations will be managed.

## 3. RELATED LEGISLATION

- All Town Planning Schemes in operation.
- The Black Communities Development Act of 1984.

## 4. MAIN CONSIDERATIONS

- All town planning schemes in operation in the Ekurhuleni Metropolitan Municipality's area of jurisdiction accommodate home industries/ occupations in some form.
- The amenity and character of the residential neighbourhood;
- The size and scope of the occupation/ profession;
- Formal businesses.

## 5. REASONS WHY AN APPLICATION FOR A HOME ENTERPRISE NEEDS TO BE SUBMITTED IF IT IS OPERATED BY MORE THAN ONE PERSON FROM THE PROPERTY

- Previously these occupations from home were only seen for the elitist group, be it doctors, attorneys etc. What about mechanics, carpenters etc.? They need to be better managed to avoid problems in the future;
- Certain occupations may have a detrimental affect on the surrounding neighbours, for example a panel beater. Such professions/ occupations may be conducted from home if it is a primary right;
- Should a larger enterprise be exercised as a primary right from the property and is causing a disturbance to the area, it could lead to legal problems, as the use is not illegal, but only the effect thereof;
- The effects of a large occupation/ profession, rather than the occupation itself, are sometimes difficult to observe and to quantify; the information necessary if one wish to prosecute;
- An application form can clearly stipulate occupations which may have a detrimental affect on the residential amenity of the area, and which shall not be permitted;
- Informing the neighbours of future activities in their area that may affect them;
- Other legislation from other departments may be necessary to stop the effects of the activities, like noise regulations etc;
- The activities' working hours, days number of people can be stipulated and the applicant be informed beforehand, thus minimising effects on the surrounding properties, especially considering the fact that certain people are doing work at night that might be intrusive;
- It is easier to advise people on a certain home businesses and their conditions beforehand, than trying to stop activities which are seen as a primary right;
- Keeping of a Database on large home enterprises, thus making informed decisions, as well as advising applicants;
- Can link up with GIS applications in the future to see trends;
- It must be made clear that this is a written consent and not a special consent. It will therefore not necessary to be inline with the special consent column in the Town Planning Schemes;
- Rather be pro-active than re-active. Thus identifying problems areas before they happen;

It is in light of the above-mentioned that this policy is proposed.

Please note the intent is not to go on a 'witch hunt', but rather to phase it in over time and to build a database of such activities.

Existing occupations/ professions from home will be protected by Section 43 of the Town Planning and Townships Ordinance of 1996 (Continued use of certain land or buildings).

**6. DEFINITION:**

A small scale enterprise, practice or occupation, subject to such requirements and conditions imposed by the Metropolitan Municipality and/or any applicable by-law and/or legislation, is operated from a residential property whereas the enterprise, practice or occupation is seen as a primary right on the property if the resident is the only person involved that works directly from home, whereas the enterprise, practice or occupation shall be subordinate to the residential use of the property and is operated in such a way that the residential character and use of the dwelling house and environment are, in the opinion of the Metropolitan Municipality, not adversely affected or changed.

In addition to the above, should the enterprise, practice or occupation be operated by more than one (1) person and at most three (3) people on the property, of which at least one (1) must reside permanently on the property, written permission of the Metropolitan Municipality needs to be obtained.

**7. USES NOT CLASSIFIED AS HOME ENTERPRISES:**

Activities conforming to the definition of a shop, undertakers, tourist information bureau, building society agency, banking agencies, animal hostel, escort agency, tow-in-service, place of entertainment or institution, place of education for more than nine (9) people, panel beater, spray painter, parcel delivery service, travel agency, shooting range and/ or shooting instructions, butchery, taxi business, fish monger, vehicle rental agency, manufacturing of concrete products, transport contractor, place of refreshment, coal and wood merchant, noxious activity and/ or any such industries which, in the opinion of the Metropolitan Municipality, does not conform to the definition of a home enterprise or does not fit in the particular environment or is of such nature that it should preferably be located on a suitably zoned erf.

The Metropolitan Municipality however, reserves the right to approve any related uses, should it be of the opinion that the related use can be classified as a home enterprise.

**8. GENERAL CONDITIONS FOR HOME ENTERPRISES:**

- 8.1 Not more than 50m<sup>2</sup> of the property or 25% of the floor area of the dwelling unit, or outbuildings on the property, whichever is the smallest, may be utilised for the home enterprise.
- 8.2 The storage area of the home enterprise shall not exceed 20m<sup>2</sup> of the floor area allowed for the home enterprise under condition 1.
- 8.3 No goods may be stored or displayed in such a manner that it will be visible from outside the property.
- 8.4 Parking, as well as loading and off-loading activities directly related to a non-residential activity, shall take place on the property; and no parking outside the property will be allowed.
- 8.5 Loading and off-loading of goods may only be done with a vehicle not exceeding a gross mass of 3500 kg.

- 8.6 No retail trade may take place on the property, provided the occasional and incidental selling of goods related and subordinate to the home enterprise of which only 10% of the area allowed under condition 1 may be utilised.
- 8.7 The primary use of the property and buildings, being residential, must be preserved.
- 8.8 The exhibition of a notice/ sign or plaque on the boundary fence, building or free standing sign on the property, to indicate only the name, profession/ occupation, business logo and telephone number of such a permanent resident, shall be permitted: provided the aforementioned notice sign or plaque shall not exceed the size of an A3-paper sheet.
- 8.9 Only two (2) notices/ signs or plaques referred to under condition 8 may be placed.
- 8.10. The notice/ sign or plaque referred to under condition 8 may not be erected on the road reserve or encroach the road reserve bordering the property.
- 8.11 An interference with the amenities of the neighbourhood by means of noise, smell, dust, aesthetic appearance or any other manner, shall not be permitted.

**9. FURTHER CONDITIONS APPLICABLE TO FORMAL APPLICATIONS FOR HOME ENTERPRISES IN ADDITION TO THE CONDITIONS UNDER POINT 8:**

- 9.1 An Application for a Home Enterprise shall be lodged in terms of the application procedure/ application form prescribed by the Metropolitan Municipality.
- 9.2 The application shall be accompanied by a once-off payment of a predetermined application/ administration fee.
- 9.3 The application shall stipulate the number of people involved on the property, the type of enterprise, the area to be used, the machinery to be used, parking to be provided, as well as the working days and hours.
- 9.4 The Home Enterprise may only be exercised once the Metropolitan Municipality has given its written consent.
- 9.5 All relevant legislation in respect of Trading Licences, Health- and Building Regulations are applicable to the enterprise (if an application for a home enterprise is approved, an application for a trading licence where applicable must be lodged).
- 9.6 The surrounding neighbours' written comments need to be obtained, either by hand or registered post. Where comments cannot be obtained for whatever reason, proof must be submitted that comments were requested.
- 9.7 A maximum of three (3) of the people involved in the home enterprise may work directly from the property, of which at least one (1) shall be a permanent resident of the property. The aforementioned number does not include additional persons that may be involved in a specific enterprise, but do not work directly from/on the property, for e.g. gardening services.

- 9.8 The number of people mentioned under point 7 does not include a domestic worker and/or gardener which are not involved in the home enterprise.
- 9.9 The Metropolitan Municipality may require a small site plan to be submitted, indicating the areas required/ used for non-residential activities, as well as parking.
- 9.10 On receipt of a complaint of whatever nature, the Metropolitan Municipality reserves the right to impose further conditions and/ or requirements, or to withdraw the consent completely without any liability for compensation for damages or losses thus incurred, but only after the matter has been investigated and the 'offender' has been afforded a reasonable time to rectify the situation.
- 9.11 The necessary amendments must be affected to the building plans in accordance with provisions of the National Building Regulations; be it for new additions or for the amended use of existing rooms.
- 9.12 The Metropolitan Municipality reserves the right to impose any further conditions and/ or additional restrictive measures on the home enterprise.
- 9.13 With the approval of the home industry application, half of the 40% tax rebate on residential properties shall be forfeited.
- 9.14 The above does not prejudice any rights allocated to residential properties in areas developed in terms of the Black Communities Development Act of 1984 and which do not fall under a town planning scheme in operation. Such uses shall be managed in accordance with the applicable legislation.