Informal settlements have become a ubiquitous global urban phenomena, posing a host of environmental and man-made risks to the residents. In Cape Town’s informal settlements, for example, fires have become endemic and present a debilitating social and material cost to affected low-income households. In such situations households are not simply passive victims but have developed strategies to cope which remain poorly understood. This study investigated the coping strategies households used to begin rebuilding their lives after an informal settlement fire. Research was conducted in Overcome Heights, an informal extension of Vrygrond, a low-income area of Cape Town, where 25 semi-structured interviews were conducted with households that had experienced a fire event in the last three years. Social and financial capital were found to be the two most important strategies used to cope with the impacts of the fire. Even using these coping strategies, the majority of the households were found to have been unable to return to the socio-economic level they had achieved before the fire and their increased vulnerability may prevent full recovery in the longer term. This research shows that for households to escape the vicious cycle of poverty and vulnerability, interventions should be focused on enhancing and strengthening existing coping strategies.