



a world class African city

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**MEDIA RELEASE  
FOR IMMEDIATE RELEASE  
Date: 25 February 2026**

**City of Johannesburg Clarifies Position on Metro Centre Closure and Newtown Lease Arrangements**

The City of Johannesburg (CoJ), through the Joburg Property Company (JPC), wishes to correct misleading public narratives regarding the closure of the Metro Centre and the temporary leasing of office accommodation in Newtown.

Recent reports suggesting that the City has incurred “billions in losses” are inaccurate and do not reflect the factual position, the regulatory context, or the responsible decisions taken to safeguard employees, residents, and public resources.

**Metro Centre Closure: Compliance and Safety Obligation**

The Metro Centre building was declared uninhabitable following multiple independent professional assessments confirming serious structural deterioration and non-compliance with occupational health and safety regulations.

These assessments included:

- A Structural Engineers' Report
- An Emergency Management Services (EMS) Risk Assessment
- A Compliance Inspection by the Department of Employment and Labour (DEL)

The Department of Employment and Labour issued a Confirmatory Notice requiring urgent remedial action and indicating that failure to comply could result in prosecution in terms of applicable legislation, including Section 38, without further notice.

The building exhibited significant infrastructure failure, including persistent water ingress, deterioration of critical building systems, and long-standing maintenance deficiencies accumulated over time. Continued occupation would have posed an unacceptable safety risk.

The decision to close the Metro Centre was therefore not discretionary but a necessary compliance and risk-mitigation measure to protect employees and the public.

**Newtown Lease Arrangement: Interim, Lawful and Cost-Controlled**

Following a lawful Supply Chain Management process, the City entered into a 24-month lease agreement with the Newtown Property Development Company to accommodate employees displaced by the Metro Centre closure and to ensure continuity of municipal operations and service delivery.

Contrary to incorrect public claims:

- The lease is not valued at R1 billion.
- The City occupies 31,176m<sup>2</sup> of office space.

- The City utilises 1,742 parking bays.
- The rental rate is R95 per square metre (excluding operating costs).
- The City is not leasing or paying for the full building size of 45,221m<sup>2</sup>, but only for the space currently occupied.

The lease arrangement is a temporary operational measure implemented under constrained circumstances and remains subject to ongoing cost management and optimisation.

### **Long-Term Intervention: Metro Centre Refurbishment Through PPP**

The City is actively implementing a long-term solution through the refurbishment of the Metro Centre under a Public-Private Partnership (PPP) model as part of its broader Office Space Optimisation Programme.

Engagements with National Treasury, facilitated through the Government Technical Advisory Centre (GTAC), have progressed as follows:

- A Transaction Advisor was appointed following a competitive procurement process.
- A formal advisory services contract was concluded in December.
- Governance, feasibility, and institutional arrangements are currently underway.

This intervention aims to transition the City from a decentralised, lease-dependent accommodation model toward a consolidated, compliant, safe and financially sustainable municipal headquarters.

### **Commitment to Responsible Asset and Financial Management**

The City of Johannesburg remains committed to:

- Ensuring full regulatory compliance and safe working environments
- Protecting and optimising public assets
- Exercising financial prudence and accountability
- Implementing sustainable long-term infrastructure solutions

Further updates will be provided as key milestones in the Metro Centre refurbishment and office space optimisation programme are achieved.

ENDS

Issued by the City of Joburg

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