



REPUBLIC OF NAMIBIA
MINISTRY OF SPORT, YOUTH AND NATIONAL SERVICE
OFFICE OF THE EXECUTIVE DIRECTOR

29 January 2025

FOR IMMEDIATE RELEASE

Attention: The News Editors

MEDIA RELEASE

THE MINISTRY REFUTES CLAIMS OF N\$ 11 MILLION PAYMENT FOR UNOCCUPIED CHICCO BUILDING

WINDHOEK, The Ministry of Sport, Youth and National Service strongly refutes the inaccurate report published on the front page of *The Namibian* newspaper of Wednesday, 29 January 2025, titled "**Govt pays N\$11 million for unoccupied youth ministry offices.**" The claim that the Government has disbursed N\$ 11 million in rental fees to the owners of Erf 126, Independence Avenue, is false and misleading.

In January 2025, the parties to the agreement confirmed that the building had reached the "basic completion" stage. As a result, on 7 January 2025, the Ministry of Works and Transport, acting on behalf of our Ministry, remitted the security deposit and the first rental payment, amounting to N\$2,128,500.00. This is the only payment made to date between the Government and the building owners.

This payment officially formalised the lease agreement, enabling our Ministry to proceed with relocation planning in close coordination with technical partners at the Ministry of Works and Transport. Since the building is newly constructed and consists of three open-plan floors, the process of partitioning and installing necessary customisations commenced in January 2025. Notably, the costed technical drawings and designs for these modifications were finalised in August 2024, pending the building's completion. These installations are expected to be completed by the end of February 2025, with relocation scheduled for 1 March 2025.

It is important to clarify that the Ministry of Works and Transport is responsible for procuring office spaces and managing lease agreements for government ministries, in consultation with the respective user ministries. Accordingly, the lease agreement for the building in question was signed on 13 December 2023 between City Place and

Property Management (PTY) Ltd, owned by Dr. Erastus 'Chicco' Shapumba, and the Executive Director of the Ministry of Works and Transport, on behalf of our Ministry. The agreement stipulates a monthly lease amount of N\$ 990,000 plus VAT.

At the time of signing, the building was still under construction, and both parties mutually agreed to postpone the contract's effective date. As a result, no rental payments were made between December 2023 and December 2024. According to Paragraph 11 of the lease agreement, the Lessee is responsible for improvements, such as partitioning, provided that prior written consent from the Lessor and Municipal approval (if required) are obtained. The outstanding partitioning on certain floors delayed the relocation. While the Ministry has not yet physically occupied the building, it has assumed custodianship of the premises during the transition period.

To facilitate the relocation, under the guidance of the Ministry of Works and Transport, our Ministry has initiated the procurement process for civil, security, electrical, and IT contractors to complete the necessary installations and customisations. Additionally, as a cost-saving measure, the Ministry has opted to reuse its existing office furniture and equipment.

Currently, our Ministry operates from two locations: the Ministry of Higher Education, Training and Innovation building at Government Office Park and the Namibia Industrial Development Agency (NIDA) building. However, the Ministry of Higher Education has formally requested that we vacate their premises to accommodate their own staff. Due to the urgent need for consolidated office space, our Ministry agreed to relocate to Erf 126, Independence Avenue to enhance operational efficiency and reduce the high costs of renting multiple office spaces.

Given these facts, we categorically reject the false claim that the Ministry of Sport, Youth and National Service paid N\$ 11 million for an unoccupied building. This allegation is baseless, misleading, and damaging. We call on The Namibian newspaper to substantiate their claims with factual evidence. Failure to do so will necessitate a retraction of their inaccurate and misleading article. **Ends.**



Office of the Executive Director
Ministry of Sport, Youth and National Service
Windhoek