

The Football Association considers selling Wembley Stadium

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The English Football Association (the 'FA') has confirmed that it has received an offer to sell Wembley Stadium. The offer has been made by Mr Shahid Khan, an American billionaire and the current owner of English football team Fulham FC and the Jacksonville Jaguars NFL franchise. It is thought that the offer is in the region of £500 – £800 million.

While the negotiations are at early stages, indications are that the FA is in favour of the move.

The new 90,000 seat Wembley Stadium opened in 2007, having gone through a seven year rebuilding process at a cost of around £750 million. Whilst the FA believes that the new Wembley Stadium has been a commercial success, it is thought that there is still debt outstanding in connection with its construction and therefore the FA would welcome a sale.

A statement by Mr Khan confirmed that “the spirit and essence of Wembley would be unchanged”. The exact terms of the deal are unknown, but it is likely that the FA would likely insist on continuing to stage some (if not all) of England's international games and the FA Cup finals at Wembley. The FA would also look to retain control of the Club Wembley business as well as seek to honour contracts that it has in place with other sporting bodies, including staging the Carabao Cup and the Challenge Cup finals (rugby league).

It is also believed that if the deal goes ahead, Mr Khan's NFL side Jacksonville Jaguars franchise, who already play one NFL game a year at Wembley, may relocate and become the first team permanently to be based outside the United States. If that happens then that would impact England's international fixtures and therefore the FA would have to consider playing England's fixtures in September, October and November elsewhere in the country.

Organisations who contributed towards the construction of Wembley Stadium, including Sport England, probably stand to benefit from any deal that is struck between the FA and Mr Khan. A Sport England spokesperson said: “Sport England invested £120million of National Lottery money into the development of Wembley Stadium. We look forward to hearing more detail about how such a deal would work and whether it would benefit grassroots sport.”

This opportunity has presented the FA with a clear dilemma. On the one hand, there are benefits associated with the sale given that any funds received from the sale of Wembley Stadium would enable the FA to fund investment into grassroots football, pay off the debt that is outstanding on the stadium and save cost that it would otherwise have to spend on the stadium's upkeep and toward upgrading facilities. However, on the other hand, the FA would need to take into account how any sale would have an impact on the national team (particularly if England football team has to travel around the country to play its 'home' games), and perhaps more importantly, whether the fans of English football would like Wembley Stadium to be sold. Wembley Stadium clearly holds an iconic status in the history of the game and its sale should not be taken lightly.

From a commercial angle, the FA would also need to consider issues relating to naming rights (should the FA insist on the stadium being known as 'Wembley Stadium' after its sale) and how to protect the ongoing contractual arrangements that it has with various organisations which are likely to be affected by any proposed sale. Whatever happens, the decision to sell is not an easy one, regardless of the amount of money on offer, and the FA will clearly need to consider a number of factors and think through the commercial consequences before a decision can be made.

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