

SPORTING A NEW ROLE? STADIA AND THE PROPERTY MARKET

Larissa Davies, Sheffield Hallam University, UK

Context

In recent years, an increasing number of urban and regional planners, regeneration agencies and local authorities in post industrial cities across Europe, have introduced policies of sport-related regeneration as a means of revitalising urban areas. In the UK, the notion of using sport for regeneration purposes originated in the late 1980s. During this time, several cities used property and enterprise led development policies to build prestigious sport-related structures to promote regional and economic development (Jones 2001). Throughout the 1990s, cities such as Sheffield, Cardiff and Manchester have continued to develop sporting infrastructure including sports stadia, to host major sporting events, but also to act as a catalyst for economic, social and physical regeneration in the wider surrounding area.

While the power of sports stadia to regenerate declining urban areas has gained increasing credibility, evidence to suggest that they can underpin regeneration goals is of variable strength (Gray & Bagley, 2003). Most of the literature that has evaluated the impact of sports stadia is based on North American experiences and primarily analyses their impact on local economic development (Jones, 2002; Thornley, 2002). Moreover, much of this focuses on the multiplier effects of job and wealth creation or on the relative merits of public subsidy (e.g. Baade, 1996; Noll & Zimbalist, 1997; Rosentraub, 1997). An area of economic development that has been significantly under-researched is the impact of stadia construction on the real estate market. This is despite the fact that the development of property and land are an integral part of the regeneration process. The research presented in this paper attempts to address this shortfall by examining the spill-over effects of major sports stadia on the property market and development activity in the surrounding areas.

Methods

The research carried out in 2003 used a case study of the Millennium Stadium, Cardiff and the City of Manchester Stadium to investigate the impact of sports stadia on the surrounding real estate market. The study adopted a mixed method approach and was carried out in three stages. Stage 1 consisted of interviews with 5 experts (academic and non-academic) in the field of property-led regeneration, aiming to identify gaps in the literature, the availability of data sources and an appropriate methodology. Stage 2 comprised 6 exploratory interviews with key stakeholders in Cardiff and Manchester, involved with developing the stadia or affected by its construction. These included the local authority; the regeneration agency; the Chamber of Commerce; a residents' group and a major developer. Stage 3 was a questionnaire survey of property agents and surveyors, selected because they operate at the interface between supply and demand of the residential and commercial property markets. They therefore have an influence over property-related decisions, and were considered to have expert knowledge of the real estate market (Henneberry, 1996).

Results

The research found evidence to suggest that despite common perceptions that stadia in close proximity to residential housing reduce property prices (Tu, 2003), the Millennium Stadium and the City of Manchester Stadium impacted positively on the residential property market in the surrounding area. Although research participants in both cities were cautious not to attribute house price increases solely to the stadia, in Eastern inner Manchester, the stadium was considered to be a major factor in stabilising and reversing the downward trend in the local housing market. In Cardiff, there was considerable evidence and support from research participants to suggest that the Millennium Stadium was a key factor in the increased prices of residential property in the vicinity.

The findings revealed that in terms of the commercial market, the impact of the City of Manchester Stadium and the Millennium Stadium varied. In both cities, the main impacts were found in the leisure and retail sector, with negligible impacts recorded in the office and industrial sectors. In Manchester and Cardiff the greatest positive impact was predictably in the leisure sector. While positive impacts were also recorded in the retail sector in Manchester, in contrast the research found that that the

Millennium Stadium has had a negative impact on the value of retail property in Cardiff, largely as a result of displacement of shoppers on event days.

Discussion

With progressively more cities developing sporting infrastructures for regeneration purposes, there is increasingly a need for further research on the impact of sports stadia. At present, the related literature is limited, and as discussed, primarily focuses on certain areas of economic impact. However, to maximise the regeneration potential of stadia developments, there is a need for policy makers to consider the broader economic impacts of stadia on the urban environment. This paper has considered one of those broader impacts that have been significantly under-researched, and while it has provided empirical evidence on stadia and prices in the property market, the research presented is nevertheless small-scale, and a more detailed investigation is required to support the findings. This is particularly important, given the negative impact in the commercial retail sector that was identified in the Cardiff case study. Wembley stadium is nearing completion and there are likely to be other stadia developments in the UK and elsewhere in Europe in the near future. If public money is to continue to contribute to these projects, as it has in the case of Wembley and the two case studies examined in this paper, then a more comprehensive understanding of the role of stadia in the regeneration process is required to justify future investment.

References

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Contact: L.E.Davies@shu.ac.uk