Dubai Sports City A Case Study For Sports-Anchored Developments

USC-Marshall Sports Business Institute (SBI) Exec Dir David Carter this weekend is set to depart for a weeklong trip to Dubai as part of a comprehensive study on the convergence of sports and entertainment. The SBI in late ’07 secured a publishing deal with Stanford Univ. Press for a book titled “The Convergence of Sports, Entertainment & Business: Joining Forces to Build Brands and Generate Billions,” and a chapter on sports-anchored real estate developments features Dubai Sports City (DSC) as the primary case study. DSC, the world’s first purpose-built sports city, is scheduled to be completed next year, and ultimately will feature four stadiums across 50 million square feet. DSC also hosts golfer Ernie Els’ first course design project, the first Butch Harmon School of Golf outside the U.S. and the Int’l Cricket Council’s Global Cricket Academy, among other projects. Carter took some time ahead of his departure to chat with Staff Writer Erik Swanson about domestic examples of sports-anchored developments and how Dubai stands out as a unique example for the study. THE DAILY next week will offer on-the-ground dispatches from Carter, including his impressions regarding the impact of the economic downturn on DSC.

Q: You’ve spoken with Tim Leiweke about his L.A. Live development and studied Robert Kraft’s Patriot Place. What have you learned from these domestic examples of sports-anchored developments that can help us understand Dubai?

Carter: I think you certainly learn from the domestic examples that we’re using -- L.A. Live and Patriot Place -- and then overlay that on the economic crisis and how things operate differently abroad. Frankly if you do that, there’s no way in the world you can even begin to take a look at Dubai without being on the ground. It’s that different on every level. The growth of it and now the stagnation of a lot of it are at levels that we have not seen in this country yet. From all of the digging we can do and from the conversations we have had, it seems to date that the Dubai Sports City has held up relatively well relative to real estate and other near collapses throughout the UAE. So it will be very interesting to find out, if that’s true, what were the contributors to the fact that it has not been harmed as deeply as other areas. And yet they have certainly slowed down some of their construction and some of their other buildings. We’re going to reserve judgment until we get there.

Q: Obviously the economic climate has changed drastically since you secured the publishing deal in late ’07. How has the focus of your project changed to reflect the changing economic times over the course of your studies?
Carter: The short answer is that it hasn’t changed a whole lot, and I’ll tell you why. Originally we were going to take a look at what are our findings, what do we come up with when we look at all this stuff? But it became evident pretty quickly from the interviews that we were conducting and from our own hunches that nobody cared about the findings, everyone wants to know where it’s going. We haven’t begun our trend analysis yet because we have to finish up the core research, which should be done by probably May 1, and then we transition to going back and looking at all the trends. And once you identify the trend, then you have to get into what are the impacts and how are people reacting and responding in the marketplace to the trends, and I think that’s where the economy enters into it. That’s the first reason why we haven’t been overly worried about it yet.

This is a three-year project, so we knew there was no way in year one you would start figuring out where it’s going when you’ve got two more years to see how the market changes. The other thing that came up is if you go back and look at the examples that we’re using, these are all stellar examples of the convergence of sports and entertainment in different categories. Our examples have held up pretty well because they’re kind of bellwether examples. All these things have gone through machinations, but they all seem to be sticking.

Q: From your studies thus far, how is Dubai unique compared to some of the other case studies in this project?

Carter: If you look at the other key studies in the book, these are all fantastic transcendent developments in their own space. But Dubai, based on the size of it, the magnitude, the amount of money flowing through it, and the fact that the emirate is using sports not just to develop a city but really to develop the entire emirate. ... They’re using sports at a magnitude unlike that which we’ve seen before. And yet some of the tenets are the same. Drive notoriety, drive the brand of the city, diversify how they make their money. There are many similarities to the U.S., but we’ve never done anything anywhere near remotely on that scale. And not just on that scale. You look at the diversity of what they’re doing -- the Int’l Cricket Council relocated there from London, Bradenton is starting an academy over there through IMG, ManU has an academy, Ernie Els has a golf course -- so it’s not just magnitude. You look at the diversity of sports properties from all over the world setting up shop there and you say, “This is fantastic.” But then you watch the problem of the tennis visas for the tournament last month.

So you’ve got this incredible opportunity, inherently they’ve got some incredible wealth and they’ve captured the imagination of people all over the world. Yet they still have to fight the cultural sensitivities that cause people to say, “You know what, they’ve got more money than anybody, but they still don’t quite get it.” So I think it’s those kinds of issues that have made it so intriguing for us to take a look at it. And so few of us in the west have really been there and talked to people on the ground to understand what they’re going through.