

US financing house in stadium drive

By James Quinn, Wall Street Correspondent
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A US sports financing house backed by Morgan Stanley is offering British football and other sports clubs the chance to raise up to \$500m (£255m) to build new stadiums in spite of the credit crunch.

Stadium Capital Financing Group (SCFG), majority-owned by Morgan Stanley Principal Investments, the investment bank's private equity arm, allows clubs to fund new stadiums without taking on any debt.

Given the restrictive lending climate, Stadium Capital should be able to assist clubs who might not be able to raise the financing in more traditional ways.

The scheme, known as Equity Seat Rights, is understood to have caught the attention of a number of professional football clubs in England and Scotland, in spite of Stadium Capital only opening its UK office less than two months ago.

Former Morgan Stanley fixed income banker Laith Al-Janabi is leading the company's push in the UK and Europe, with the first European stadium deal expected within months.

Stadium Capital was founded by Lou Weisbach, who made his fortune founding Ha-Lo, the largest marketer and distributor of promotional products in the US. Equity Seat Rights works through a form of ticket securitisation which sees the money fans pay for tickets over a long period of time, repaying the original money spent on the stadium.

"We lock in fans to an agreed price for an extended period of time," Mr Weisbach said. Fans are also allowed to trade their seats.