Manchester United's £2 Billion Stadium Project and the Trafford Regeneration

Context, what is happening

Earlier this year, Manchester United announced plans to demolish Old Trafford and construct a **new £2 billion stadium** as part of a major regeneration project in Manchester. The development aims to create thousands of jobs and new homes, transforming the surrounding area into a commercial and residential hub. The new stadium is expected to become the largest sporting venue in the UK, with sustainability at its core, featuring solar panels, rainwater collection systems, and eco-friendly architecture.[1]

While the headlines have focused on the excitement of the new ground, for commercial lawyers this project presents a complex network of commercial issues and considerations. The deal spans multiple practice areas, from construction and real estate to banking, planning, environmental, and commercial contracts, making it an excellent example of how commercial law operates in large-scale infrastructure projects.

Commercial Considerations:

Construction and Real Estate Law

Lawyers for Manchester United will advise on the procurement and drafting of construction contracts, ensuring risks around design, safety, and timing are clearly allocated.[2] These contracts need to specify what happens if delays occur or costs rise, and they will include key clauses such as liquidated damages and force majeure.

They key issue, however, will be managing risk and keeping the project on time and within budget. Lawyers will draft clear construction contracts and review land and demolition rights to avoid uncertainty over responsibility or ownership.

If this is mismanaged, a poor due diligence could cause disputes, costly delays, and expose the club to financial penalties.

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[1] 'Eiffel Tower of the North'? Manchester United unveil 100,000-seat new stadium project' (The Guardian, 11 March 2025)

[2] Trafford Council green light Manchester United's development plan' (Reuters, 28 January 2025)

Banking and Finance Law:

A £2 billion build requires structured **financing plans**. Lawyers specialising in banking and finance will advise on **loan agreements**, **bond issuances**, and other funding instruments. Therefore, they will have to negotiate terms with **lenders, draft covenants**, and ensure the financing structure aligns with the club's existing debt obligations.[3]

Finance lawyers will also help protect Manchester United's commercial position by securing income streams early, such as naming rights deals or long-term sponsorships, which can **reassure investors and offset borrowing costs.**

Unfavourable lending terms or covenant breaches could lead to **higher borrowing costs or defaults.** If financing is not properly balanced with existing debt, **the club's credit rating could fall**, affecting future investment. Poor financial disclosure could also harm investor confidence and attract regulatory scrutiny.

ESG Commitments:

From a commercial law perspective, the club will enter into dozens of agreements with suppliers and service providers, covering areas such as **catering, technology, facilities management, and sustainability initiatives**. Lawyers will draft and negotiate these contracts to ensure value, flexibility, and protection of the club's brand.

Given the club's emphasis on sustainability, environmental and social governance (ESG) obligations will play a central role. Commercial lawyers will ensure that **public claims about solar energy or carbon reduction** are backed by measurable commitments. This **prevents reputational and legal risks** associated with greenwashing, making environmental claims that cannot be proven.[4]

What this shows about Commercial Law

The project at its core demonstrates how commercial lawyers have to act as strategic advisors for businesses. In doing so, they enable the 2nd biggest club in England to deliver a project that is commercially sustainable.

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[3] E R Yescombe, Principles of Project Finance (2nd edn, Academic Press 2014).

[4] Sustainability in sport: stadium development and planning" – Irwin Mitchell (law-firm insight), 29 March 2023

Key Terms

Force majeure: A clause excusing a party from obligations when unforeseen events occur, such as war or natural disasters.[5]

Liquidated damages: A pre-agreed payment due if a project is delayed or not completed as promised.

Covenant: A promise in a loan agreement or contract to meet certain financial or operational conditions.

Morality clause: A contract term allowing termination if a partner’s behaviour harms reputation.

Financing: The mix of money used to pay for the project, for example cash from the club, bank loans, or bonds.

[5] H Beale (ed), Chitty on Contracts (34th edn, Sweet & Maxwell 2021).