

Assessing the Importance of the Santiago Bernabéu Renovation

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Abstract: The Santiago Bernabéu Stadium, home to Real Madrid, underwent a €1.17 billion renovation aimed at modernizing its facilities while preserving its rich heritage. This study analyzes the economic, cultural, and urban impacts of the renovations, using quantitative data from Real Madrid's financial reports and qualitative insights from urban development literature. Results reveal a 27% increase in total club revenue during the 2023/24 season, with stadium-specific income rising by nearly 120% to €310 million. Enhanced features, such as a retractable roof, foldable pitch, and upgraded hospitality offerings, have transformed the stadium into a multipurpose venue, hosting diverse events and attracting record fan engagement. Additionally, the renovations have elevated the Bernabéu as a cultural and architectural icon in Madrid, boosting local commerce and tourism. While construction faced cost overruns and delays, the long-term benefits underscore the value of strategic infrastructure investments in the sports industry. The findings highlight the Bernabéu's success as a model for multifunctional stadiums, merging financial performance with cultural significance.

1 INTRODUCTION

Real Madrid's Santiago Bernabéu stadium was named Chamartín Stadium until the 1950s to honor Club President Santiago Bernabéu. Since its inauguration in 1947, it has undergone numerous modifications and expansions (Bolz and Krüger, 2023). The stadium has served as the backdrop for countless historic moments, including UEFA Champions League finals and FIFA World Cup matches. Over the years, its capacity and facilities have adapted to accommodate the growing fan base of Real Madrid. Today, the stadium stands firm as one of football's cathedrals, a modern landmark in Madrid, to the most successful football club of all time. From the late 2000s up until the early 2010s, Real Madrid's total income grew significantly while stadium regenerated income stagnated. This meant that the Bernabéu could no longer keep up with the rest of the club financially. In response, club President Florentino Pérez announced renovation plans for a new stadium: a stadium suiting the greatest club in the world. In 2014, the modernization project for the Santiago Bernabéu Stadium was awarded to the architectural firm GMP, working alongside Spanish partners L35 and Ribas (Arquitectos, 2015). As of 2023, Real Madrid announces and increasing of renovation costs with the total cost reaching 1.17

billion Euros. The ongoing renovations aim to modernize facilities while preserving the stadium's rich heritage, much like the analysis of stadium developments that stress the importance of adaptability in urban landscapes (Scott, 2015). This study examines the economic, cultural, and urban impacts caused by the Santiago Bernabéu renovations. The study will highlight how the renovations have enhanced Real Madrid's revenue streams, improved their fan engagement, and elevated the stadium as a cultural landmark in Madrid, through analyzing financial data from Real Madrid's reports, data from attendance statistics, and qualitative insights from local commerce and urban development literature. These findings contribute to the broader discussions on the significance of multi-functional sports venues in driving financial sustainability and urban revitalization (Rilipe et al., 2022).

2 METHODOLOGY

Quantitative data were collected from Real Madrid's annual financial reports, tracking key revenue trends before and after the renovation. Metrics included stadium-specific operating income, total revenue, and earnings from non-football events hosted at the venue. Attendance statistics for the 2023/24 LaLiga

season were also analyzed, focusing on average attendance, total attendance figures, and capacity utilization rates. These figures provide insights into the extent to which the renovations have influenced fan turnout and engagement.

The qualitative analysis involved several complementary methods. Reports from local newspapers and interviews with business owners in the vicinity of the Bernabéu were reviewed to understand the impact on local commerce. Finally, cultural and urban development literature contextualized the stadium's role within Madrid's identity and urban fabric.

3 RESULT

3.1 Economic Benefits

The renovations of the Santiago Bernabéu Stadium have resulted in economic benefits in enhancing Real Madrid's financial performance. During the 2023/24 season, Real Madrid made history as the first-ever football club to generate over € 1 billion in total revenue, marking a 27% increase from the € 843 million earned the previous year. Notably, income from stadium operations surged from € 140 million in the prior season to € 310 million, a near 120% increase, which alone matches the combined stadium income of the previous three years (Madrid, 2024). Beyond Real Madrid's football matches, the stadium's new multipurpose capabilities have expanded its revenue streams. The new Bernabéu incorporates a retractable pitch that can enclose the stadium, creating an incredible atmosphere, and also a foldable pitch that can store the turf underground when not used. These innovations significantly enhance the stadium's functionality, allowing the Bernabéu to host concerts, corporate events, and other non-sporting activities that increase its operational scope. This shift reflects a broader trend in the industry of sports infrastructure, where venues are increasingly designed to function as multi-functional stadiums that can be utilized during the sport's offseason in order to maximize income (Rossi and Capasso, 2020). Future projections suggest that the 310 million Euro figure from above could reach up to 400 million in stadium income once the stadium becomes fully operational. This increase can be attributed to the improved hospitalities of the stadium, as well as various technological advancements. Real Madrid has also signed a € 360 million deal partnership deal with investment firm

Sixth Street and Legends, which guarantees Real Madrid 70% of revenues from new commercial activities (Stadium Redevelopment, 2024).

3.2 Impact on Fan Engagement

Transformative Impact on Fan Engagement: The renovation has also had a transformative impact on fan engagement. The Santiago Bernabéu recorded the highest average attendance in LaLiga during the 2023/24 season, achieving a remarkable 92% attendance rate and hosting the season's peak viewer count of 76,732 during a single game. Real Madrid's plans to expand the stadium's seating capacity to 85,000 will further enhance its status as one of the largest professional football venues globally (Prensa, 2024). In addition to increasing capacity, the renovations have greatly improved the matchday experience. Features such as a 360-degree scoreboard and state-of-the-art VIP lounges cater to diverse audience segments, from casual spectators to high-net-worth individuals seeking premium hospitality. These innovations not only attract a broader fan base but also encourage repeat attendance, ensuring a consistent revenue stream from ticket sales and related activities.

3.3 Cultural Landmark

Culturally, the renovated Santiago Bernabéu serves as a cultural landmark for the city of Madrid. Most of the world's major sports stadiums are located on the outskirts of cities. The Bernabéu is an exception as it is located adjacent to Madrid's main artery. The renovation has elevated the stadium's architectural significance with the L35 designers giving the stadium an iconic, futuristic façade made of metal, contrasting with the rest of Madrid (Bolz and Krüger, 2023). The renovated Bernabéu also makes it a popular tourist destination. Real Madrid's stadium tour has attracted thousands of fans every week to visit the newly constructed greatest stadium in the world, showcasing areas such as the team locker rooms, trophy displays, and the newly upgraded pitch and facilities (Brochado et al., 2021). Stadium tours are not only a cultural and fan engagement tool but also an important revenue stream for football clubs. Real Madrid generates significant income from stadium tours that include ticket sales and merchandise sales. The stadium has also transformed the local neighborhood, by attracting tourists and promoting local businesses. The stadium also appeals to foreign visitors, which contributes to Madrid's greater economy. With the new Bernabéu, Real

Madrid seeks to break the long standing belief that sports stadiums typically offer limited returns as investments for driving local economic development (Charles, 2022).

4 DISCUSSION

The Santiago Bernabéu renovations highlight the potential of large-scale infrastructure projects to achieve financial, cultural, and urban development goals simultaneously. Compared to other modern stadiums, such as Premier League Club Tottenham Hotspur's Tottenham Hotspur Stadium and Bayern Munich's Allianz Arena, the Bernabéu is able to stand out. As while these stadiums may succeed in revenue generation and technological improvements, it cannot also preserve their historical heritage and become a city icon like the Bernabéu. This success is attributed to a strategic approach that prioritized innovation, sustainability, and fan-centric design.

However, the project was done not without any challenges. The total cost of a staggering 1.17 billion Euros far exceeded the initial estimates, construction also faced delays due to logistical and financial hurdles (Madrid, 2024). Despite these obstacles, the long-term benefits appear to outweigh the drawbacks, as evidenced by the immediate financial gains and positive reception among many fans and stakeholders.

Looking ahead, the Bernabéu's ability to host a diverse range of events positions it as a critical asset in Real Madrid's global branding strategy. Its role as a multipurpose venue ensures a steady stream of revenue even during the football offseason, providing the club with a competitive edge in an increasingly commercialized sports industry. Improved methods for this research would be to wait and see the long-term success of the Bernabéu and more data analysis.

5 CONCLUSION

The renovation of the Santiago Bernabéu Stadium demonstrates how strategic infrastructure investments can catalyze financial growth, cultural prominence, and urban revitalization. The study underlined the financial effects of the extensive € 1.17 billion renovation, noting an impressive 27% growth in Real Madrid's total income in the 2023/24 season and a close to 120% rise in lodging revenue in the stadium itself. Moreover, state-of-the-art features like a retractable roof and foldable pitch have made

the stadium a multipurpose venue, covering various events across sports and entertainment. The study also highlights the stadium's new role as a cultural and architectural landmark in Madrid, contributing to the tourism and local commerce of the city.

However, there are some limitations present in this research. The financial data examined in this analysis, though drawn from the statements of Real Madrid, does not consider the entire economic ecosystem functional within the renovations, especially concerning the larger urban development metrics. It would similarly help the qualitative data, such as the interviews with local business owners and cultural literature reviews, to be qualitative by introducing a quantifiable systematic method to verify the outcomes.

Forthcoming studies may address these limitations by utilizing longitudinal designs to assess the sustainable effects of Bernabéu's updates. Furthermore, it would be too early to judge the successes Real Madrid would gain from this renovation. Further investigations may also involve a comparison with other leading venues worldwide to assess how the Real Madrid renovation model translates on a bigger scale. Additionally, expanding research to include the sociopolitical effects of urban infrastructure on the scale of such a large development may further enhance the understanding of the convergence between sports, culture, and urban planning. If anything, the Santiago Bernabéu is a model in terms of innovation in sports infrastructure, and lessons to be learned for clubs and cities around the world.

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