

What an NBA Franchise Tells Us About Sports as an Asset Class

What an NBA franchise tells us about sports as a genuine, scarce, institutional asset class.

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Scarce, institutional, investable

An NBA franchise value now averages somewhere in the billions, but the figure is contested before it is even printed: CNBC puts the average team at about \$4.66 billion (2025), while Sportico sizes the same league at roughly \$5.51 billion (2025). The ranked lists that dominate this search report the number and stop there. The harder question is why a basketball team has come to behave like an institutional asset at all. That is the read [the expanding investable universe](#) is built on, and it is the IMS Group house view: the news tells you what a team is worth; the more useful question is why sports has become an asset class, and who is now buying into it.

NBA Franchise Value Today, in Context

The data lists agree on the direction and disagree on the level, which is the first thing an allocator should notice. Rather than reproduce all thirty teams, the table below carries one average and three illustrative franchises, each sourced and dated. Treat every figure as point-in-time; valuations move, and any number here should be refreshed against current league data before it is relied on.

The point of the table is not the per-team precision but the spread itself. These are nba team valuations produced by rival methodologies, and the gap between a \$4.66 billion average and a \$5.51 billion one is wide enough to matter.

Why the sources disagree

The disagreement is methodological, not careless. Sportico, CNBC and Forbes each build their own model, weighting media contracts, arena economics, equity stakes and recent transaction comparables differently, and each publishes as a point-in-time estimate. Sportico's published methodology is the most transparent in the set and is worth reading for that reason. None of these valuations is a clearing price; a franchise only proves its worth when it changes hands. The sober reading sits behind that: direction is clear, magnitude is contested, and the figure should always travel with its publication and its date.

Why a Franchise Behaves Like an Asset Class

Strip away the fandom and four structural features explain why a team has started to price like an investable asset rather than a vanity purchase.

The first is scarcity. There are thirty NBA franchises and the league controls how many exist, so supply is effectively capped in a way few assets can match. That fixed supply underwrites much of the long-run appreciation, because demand from qualified buyers rises against a count that does not.

The second is contracted revenue. National media rights give each franchise a recurring, league-negotiated income base that arrives whether a given team wins or loses, and those rights have grown across two decades of renewals. The third is league economics: revenue-sharing arrangements and a salary structure spread risk across the competition, dampening the single-team downside that would make any one club a fragile holding.

The fourth feature is the structural hinge of the whole thesis. In 2021 the NBA expanded its ownership rules to let private-equity funds hold passive minority stakes in its franchises, and a 2022 vote later extended that access to pension funds, sovereign wealth funds and endowments. That decision turned a closed ownership club into something an allocator could actually access, and it is the reason sports as an asset class is now a serious conversation rather than a metaphor. Growth from here should be read as a range, not a single trajectory; the franchises are appreciating, but the pace is cyclical and tied to the next media cycle, not guaranteed. Like [private credit, the asset class you can't buy on an exchange](#), a franchise rewards sourcing and access rather than a quoted screen price.

Who Is Actually Buying

The institutional capital is already arriving, so it is worth naming who is doing the buying.

Arctos is the clearest example. It was among the first private-equity firms cleared, in the 2021 expansion, to build a portfolio of passive minority stakes across NBA franchises (Dyal/Blue Owl had been the first PE firm approved, back in 2020), and its model is deliberately passive: it buys a minority position and the influence it confers, not control of the team. That structure is the point. A passive minority stake lets an institution gain exposure to franchise appreciation and the media-rights cash flows beneath it without taking on the operational burden, the headline risk or the control premium of outright ownership.

Apollo-style alternative capital has signalled the same direction of travel, with large credit and alternatives managers exploring sports as a financing and exposure opportunity. The detail to keep is qualitative: the relevant managers are entering the space, but no specific return, efficiency or accuracy figure for any of them belongs in a sober account, because those numbers are not public. What matters structurally is that private equity sports teams positions now exist as a recognised institutional strategy, channelled through the passive-minority route the league deliberately opened. That is also why a credible sports investment fund is built around minority exposure and the cash flows underneath it, rather than around the trophy of control.

What It Means for Allocators and Family Offices

For a family office weighing how to invest in sports teams, the appeal is specific and the caveats are real. Three properties stand out. The exposure is scarce, capped at thirty franchises and gated by league approval. It is lightly correlated with public equity, since media-rights income and franchise scarcity do not move with the market cycle. And it carries a trophy-asset dimension, where the asset's prestige supports demand in a way a bond or a warehouse never will.

None of that erases the trade-offs. These are illiquid, concentrated positions: a stake in a single franchise is one line of exposure with no daily exit, and the premium an allocator earns is the compensation for accepting that illiquidity. There is also a valuation-discovery problem, since a holding only proves its worth at a sale or a financing event, so the carrying mark sits in the same contested range the published valuations already carry. The passive-minority route the league opened mitigates the governance side of that risk but not the liquidity side; the structural appeal and the structural caveat travel together. The discipline is to size the exposure soberly as part of a diversified book, not to chase the trophy. This sits within the firm's wider [view on alternative assets](#) and the credit-and-capital structures behind clubs, athletes and stadiums are exactly the territory [IMS Sports Capital](#) operates in. To see the institutional read in full, explore [how IMS Sports Capital approaches sports as an asset class](#).

Conclusion

The direction is clear and the magnitude is contested: NBA franchises have become an emerging institutional asset, even as the precise valuation stays a point-in-time figure that the major sources price differently. Scarcity, contracted media rights, shared league economics and the 2021 rule on passive minority stakes are what turned a team into an asset class, and institutional capital has followed. To see how the firm reads it, explore [how IMS Sports Capital approaches sports as an asset class](#).

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Frequently asked questions

Who are the NBA billionaires?

The figure usually refers to NBA team owners whose franchise stakes alone are worth well over a billion dollars, a count that has expanded as valuations have re-rated. Read through an ownership-structure lens, the more telling shift is that the cap table beneath these owners now includes institutional minority investors, not only the controlling billionaire, since the league's 2021 rule change opened passive stakes to private-equity capital.

Which is the richest, most valuable NBA franchise?

By recent reporting, the Golden State Warriors are the most valuable NBA franchise, valued at roughly \$11 billion (Forbes, 2025), with the Los Angeles Lakers and New York Knicks close behind. The ranking matters less than the reason: the top franchises command a scarcity premium, large local-market revenue and contracted media income, which is precisely what makes them behave like scarce assets rather than sports teams.

Is the NFL or NBA richer?

On league economics, the NFL is the larger business by total and per-team revenue, driven by its national media contracts. The NBA's relevance to an allocator is different: its 2021 decision to admit private-equity passive-minority capital (broadened to other institutional investors in 2022) made its franchises more accessible as an asset class than the NFL's, where league rules on private-equity ownership opened later and on different terms.

How does NBA franchise value compare over time?

The trajectory has been one of sustained appreciation. Statista's series on average NBA franchise value (2001 to 2025) shows the league average rising into the billions over two decades, tracking successive national media-rights renewals. The sober framing is a trend, not a promise: the direction has been firmly upward, while the magnitude in any single year is a point-in-time estimate that moves with the next contract cycle.

Sources & important information

1. CNBC (2025). Official NBA Team Valuations
 2. League-average franchise value of approximately \$4.66 billion; proprietary CNBC valuation set. Point-in-time; refresh against current data. CNBC.
 3. Sportico (2025). NBA Team Values Rankings List (with Definitions / Methodology). League-average franchise value of approximately \$5.51 billion; the most transparent methodology block in the ranking set. Point-in-time. Sportico.
 4. Forbes (2025). The Most Valuable NBA Teams
 5. Per-team values, revenue and ownership; source for the illustrative franchise figures (Golden State Warriors ~\$11B; New York Knicks ~\$9.75B; Los Angeles Lakers ~\$10B). Point-in-time. Forbes.
 6. Statista (2025). Average franchise value of NBA teams 2001–
 7. Time-series of average franchise value across two decades. Statista.
 8. NBA / sports-finance press (2021–2022). The NBA's 2021 rule change permitting private-equity funds to hold passive minority stakes in franchises, with a separate 2022 vote extending access to pension funds, sovereign wealth funds and endowments; basis for the institutional-access thesis. Stated qualitatively. NBA.
 9. Sports-finance press (2020–2025). Arctos as among the first private-equity firms cleared (in the 2021 expansion) to take passive minority stakes across NBA franchises, with Dyal/Blue Owl the first PE firm approved in 2020; Apollo-style alternative-capital interest in sports. Qualitative only; no manager-specific return, efficiency or accuracy figure stated. (Verify on publication day.)
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Alternatives, read from
the buy-side —
uncorrelated,
contractual or scarce.

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