Moerdler in Bisnow: 'WeWork 2.0' – Booming AI Startups Concern Some Data Center Executives

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As AI infrastructure demand continues to accelerate, questions around neocloud business models, leasing structures and financing risks are becoming increasingly important.

Haynes Boone Data Centers and Digital Infrastructure Chair **Jeffrey Moerdler** was featured in *Bisnow* following its Data Center Capital Markets Summit, where he discussed why some neocloud providers may resemble "WeWork 2.0" due to the mismatch between long-term data center lease obligations and shorter-term customer agreements. He also shared insights on the heightened risk analysis and increasingly bespoke financing structures required to support AI-driven development.

Read an excerpt below.

This leaves them particularly vulnerable if AI demand softens or customers shift workloads to their own AI infrastructure, said Jeffrey Moerdler, chair of the data center and digital infrastructure practice at Haynes Boone.

“The problem is, to me, that neoclouds are WeWork 2.0,” Moerdler said, referring to the coworking operator that was reduced to a fraction of its former value after business-model concerns led to a failed initial public offering and a bankruptcy filing.

"There is a mismatch. They're signing 15-year data center leases, and their customer-facing agreements are by the hour, the day, the month, max one to three years. What happens when those agreements expire?”

Moerdler said it is particularly alarming that many of the largest neocloud customers are hyperscalers using them as a temporary source of GPU capacity while they build their own AI infrastructure. As that infrastructure comes online, he fears demand will shift away from neoclouds, potentially triggering bankruptcies among companies that fail to replace the lost business. …

“The risk analysis has become a critical component of getting a deal done now, as has creativity and finding an avenue that works,” Moerdler said. “Every deal is bespoke these days.”

Read the full *Bisnow* article **here**.