

Moerdler in Forbes: Why Debt-Laden Neoclouds Could Become a Trillion Dollar WeWork 2.0

October 19, 2026

RELATED PRACTICES AI and Technology, Data Centers and Digital Infrastructure

As investment in AI infrastructure accelerates, rising borrowing costs and mounting debt are raising questions about the sustainability of the data center boom. Haynes Boone Partner [Jeff Moerdler](#) shared his perspective on the risks facing neocloud business models, with *Forbes* citing remarks Jeff made at the firm's Data Center & Digital Infrastructure Forum, co-hosted with the NYU SPS Schack Institute of Real Estate.

Read an excerpt below.

Estimates of the cost of the U.S. AI and data center buildout range from roughly \$2.8 trillion through 2030 to more than \$10 trillion by 2032, with at least \$1.3 trillion already financed with debt. And some are beginning to predict it will end badly for many.

"In the next three years we're going to see a bunch of bankruptcies," said Jeffrey Moerdler, chair of the data center and digital infrastructure practice group at law firm Haynes Boone, at the NYU data center and AI infrastructure forum in October. "A lot of what's happening now is based on projected future revenue. There's a huge question mark about the neocloud business model. It's WeWork 2.0."

Read the full *Forbes* article [here](#).