

StratCap Buys Cleveland Data Center

StratCap's data center real estate investment platform, Strategic Datasphere LLC, has purchased a 187,000-square-foot facility in Cleveland, Ohio that includes a high-density data center, banking operations center, and flex/research and development space. While financial terms were not disclosed, the company noted that the property was purchased "on an all-cash basis."

Originally built in 1988 as National City Bank's operations and data center, the property was expanded in 2008 when a "major financial institution" acquired the property to create "a modern technology campus." The financial institution leases roughly 26 percent of the facility and has 14 years of lease term remaining.

As a value-add investment opportunity, the property has approximately 138,500 square feet of space available to lease. There is an 8,000-square-foot turnkey data hall that can supply 3 megawatts of critical power at N+1. The data center has a raised floor with liquid cooled racks capable of supporting more than 300 watts per square foot. The building also has roughly 59,000 square feet of flex/R&D space can likely be repositioned to accommodate additional data center space as well, the company said.

According to the company, Cleveland serves as a central connectivity point between Chicago and New York and has seen an influx of interest due to local and regional companies looking to outsource their data center presence. And because Cleveland is an NFL city, it has reportedly seen an increase of cloud and edge customer activity from AWS, Google, Microsoft, and Facebook, which are looking to establish nodes and local zones in these markets.

Located five minutes from the Cleveland Hopkins International Airport and 15 minutes from downtown Cleveland, the facility includes fiber connectivity from more than seven providers.

“We believe the existing [3 megawatt] data center is unique in the local market and will be appealing to technology and financial services firms that run high-density compute applications,” said Bryan Marsh, chief executive officer of StratCap’s data center platform.

He added, “The ability to convert underutilized space into operational data halls also creates an attractive value-add opportunity for this asset. In addition, the current lease structure provides us with what we believe are long-term, predictable rental revenues.”

The property was sold by Legacy Investing LLC, a Virginia-based company focused on mission-critical real estate.

Strategic Capital, a privately held alternative investment management platform, recently consolidated its various brands under a new name: StratCap. The company is focused on digital economy investments with an emphasis on digital infrastructure, sustainability, and technology-centric sectors.

Datasphere is focused on the acquisition, development and management of fully and partially stabilized data center facilities across North America and Europe. Datasphere has access to committed equity capital that is expected to support more than \$1.5 billion in potential investments alongside debt financing.

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