



Adaptive Reuse in the Cannabis Industry: The Good, The Bad and The Addendums,” Cannabis Business Executive

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It's becoming increasingly common for businesses cut costs by retrofitting older real estate structures to serve their needs rather than fully renovating properties away from the purpose for which they were originally built. Tucker Herndon and Nicole Keefe explored these “adaptive reuse projects” as a potential opportunity for businesses in the emerging cannabis industry in an article published by Cannabis Business Executive on March 9, 2020. “States where medical and recreational cannabis has been legalized for more than three years have seen more increases in demand for commercial properties,” Herndon and Keefe said. “Specifically, 42% saw an increase in demand for warehouses, 27% an increase for storefronts, and 21% an increase for land.” Adapting an older building, like a warehouse or abandoned bank, can make a lot of sense for a cannabis operation looking for a quick, cost-effective solution. However, there are unique financial and compliance issues to consider within this highly regulated industry, such as non-construction expenses related to rezoning and local ordinance variances, as well as physical regulatory requirements of cannabis operations. For more information on considerations for cannabis operations adapting an existing structure for their business, please see the full article [here](#).

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