



## COMPASS COMMERCIAL, ITRA GLOBAL

Providing commercial real estate services by advocating for our corporate clients' interests and increasing their profits.

### Is There Space for Medical Marijuana in Your Town?

#### The Compass Commercial Difference:

##### Your Advocate:

We represent only tenants and users of commercial real estate—never landlords or developers.

##### Your Expert:

Our team of seasoned professionals negotiate on your behalf, lowering your cost. We use our years of experience to leverage your negotiating power.

##### Your Local & Global Representative:

We provide broad geographic coverage and seamless representation in multiple markets through offices around the world.

##### Your Trusted Advisor:

You will always receive objective, unbiased advice. Our team will save your hours of time researching, conducting negotiations and other services on your behalf.

One of the things we love about what we do is the opportunity for continual learning. Just recently, while searching on a client's behalf for a small space in Troy, Michigan, we came face-to-face with a growing trend we hadn't encountered before.

And we do mean "growing."

Turns out medical marijuana growers are snatching up the leases on most, if not all, of the small spaces in cities that allow the growers to operate. Larger industrial spaces are also rare because the automotive industry is doing so well.

Did you know if a city doesn't have an ordinance against a certain type of business, that business can set up shop anywhere in the city? This is why, when a new industry such as medical marijuana rolls into town, city governments are quick to set up rules as to where they can be located and what they are allowed to do.

Some local cities are still firmly against medical marijuana growers and will probably stay that way until a lawsuit forces the issue.

Other cities, like Plymouth, allow growers only in a specific industrial neighborhood. Since there are so few buildings in that area that meet the criteria growers need, it isn't possible for more than a handful of tenants to set up shop.

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Need some help? Just call us at 248.817.5400

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“If you think hiring a professional is expensive, wait till you hire an amateur.”

Red Adair

The City of Troy is open to medical marijuana growers, with an ordinance restricting each building to a maximum of 72 plants. The City also put a restriction on how many growers are allowed in the city. However two weeks ago the City of Troy put a moratorium on new locations .

Medical Marijuana growers are quiet tenants. They don't have as many workers as would be expected for this type of building, which ends up hurting the restaurants and bars in the area.

The landlords like the growers because they pay cash in advance for everything, since their product is not recognized as a legal substance by the federal government they can't put their income/cash in the bank.

At some point, when the federal government makes medical marijuana legal and the growers can lease large facilities, the smaller industrial users will have space to lease.

Until then it is an issue for any tenant looking to lease an industrial building of less than 1,500 s.f. in Troy.

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