



# Innovative Industrial Properties Acquires Florida Property and Expands Long-Term Real Estate Partnership with AYR Wellness

June 10, 2024

SAN DIEGO--(BUSINESS WIRE)-- Innovative Industrial Properties, Inc. (IIP), the first and only real estate company on the New York Stock Exchange (NYSE: IIPR) focused on the regulated U.S. cannabis industry, announced today that it closed on the acquisition of a 16 acre property comprising 145,000 square feet of industrial space in Ocala, Florida, and entered into a long-term, triple-net lease with a subsidiary of AYR Wellness Inc. (CSE: AYR.A, OTCQX: AYRWF) (AYR).

The purchase price for the property was \$13.0 million (\$90 per square foot). AYR is expected to redevelop one building on the property comprising 98,000 square feet of industrial space for expected use as a regulated cannabis cultivation facility upon completion, for which IIP has agreed to provide reimbursement of up to \$30.0 million. Assuming full reimbursement for the construction, IIP's total investment in the property is expected to be \$43.0 million (excluding transaction costs).

In addition to this property, IIP owns and leases to AYR one processing facility in Ohio comprising 11,000 square feet.

As the pioneering real estate investment trust (REIT) for the regulated cannabis industry, IIP partners with experienced, regulated cannabis operators and serves as a source of capital by acquiring and leasing back their real estate assets, in addition to offering other creative real estate-based capital solutions.

AYR is a leading, vertically integrated cannabis operator in the United States, operating in eight states with 18 production facilities and 91 dispensary locations. AYR reported first quarter 2024 total revenues of \$118 million and adjusted EBITDA of \$29 million. In Florida, AYR operates 64 dispensary locations, with 745,000 square feet of existing production capacity (excluding this property).

Florida represents the largest medical-use cannabis market in the United States, with the program having received 71% voter approval in 2019. According to the Florida Office of Medical Marijuana Use (OMMU), as of May 31, 2024, there were over 880,000 qualified patients and over 2,300 qualified physicians in the medical-use cannabis program, and BDSA reported 2023 regulated sales of \$2.6 billion. Floridians are expected to vote on adult-use legalization of cannabis in November 2024, which requires 60% approval to pass. Under the initiative, existing licensed medical cannabis operators are expected to be authorized to sell cannabis to adults for personal use, and the Florida state legislature could provide by state law for the licensure of other entities to cultivate and sell cannabis for adult-use.

As of June 10, 2024, IIP owned 108 properties comprising 9.0 million square feet (including 722,000 rentable square feet under development/redevelopment) in 19 states. As of June 10, 2024, IIP had invested \$2.5 billion across its portfolio, including capital invested to date (excluding transactions costs) and additional capital commitments to fund future construction and improvements at IIP's properties.

## About Innovative Industrial Properties

Innovative Industrial Properties, Inc. is a self-advised Maryland corporation focused on the acquisition, ownership and management of specialized industrial properties leased to experienced, state-licensed operators for their regulated cannabis facilities. Innovative Industrial Properties, Inc. has elected to be taxed as a real estate investment trust, commencing with the year ended December 31, 2017. Additional information is available at [www.innovativeindustrialproperties.com](http://www.innovativeindustrialproperties.com).

### Innovative Industrial Properties Forward-Looking Statements

*This press release contains statements that IIP believes to be "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than historical facts, including, without limitation, statements regarding the Florida property and AYR, are forward-looking statements. When used in this press release, words such as IIP "expects," "intends," "plans," "estimates," "anticipates," "believes" or "should" or the negative thereof or similar terminology are generally intended to identify forward-looking statements. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, such statements. Investors should not place undue reliance upon forward-looking statements. IIP disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

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