

## Innovative Industrial Properties Announces Tax Treatment of 2017 Distributions

SAN DIEGO, CA – January 25, 2018 – Innovative Industrial Properties, Inc. (the “Company”) (NYSE: IIPR) today announced the tax treatment of its 2017 distributions as follows:

**Security Description: Common Stock**  
**CUSIP: 45781V101**  
**Ticker Symbol: IIPR**

<b>Record Date</b>	<b>Payable Date</b>	<b>Total Distribution Per Share</b>	<b>Allocable to 2017</b>	<b>Taxable Ordinary Dividend</b>	<b>Return of Capital</b>	<b>Long-Term Capital Gain</b>	<b>Unrecaptured Section 1250 Gain</b>
06/30/2017	07/14/2017	\$0.150000	\$0.150000	\$0.053030	\$0.096970	\$0.000000	\$0.000000
09/29/2017	10/13/2017	\$0.150000	\$0.150000	\$0.053030	\$0.096970	\$0.000000	\$0.000000
	Totals	\$0.300000	\$0.300000	\$0.106060	\$0.193940	\$0.000000	\$0.000000

The distributions paid on January 16, 2018 to stockholders of record on December 29, 2017, as previously declared on December 15, 2017, are considered 2018 distributions for federal income tax purposes.

The company did not incur any foreign taxes in 2017. Stockholders are encouraged to consult with their personal tax advisors as to their specific tax treatment of the Company's distributions.

### 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 medical-use cannabis facilities. Innovative Industrial Properties, Inc. intends to elect to be taxed as a real estate investment trust. Additional information is available at [www.innovativeindustrialproperties.com](http://www.innovativeindustrialproperties.com).

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