



Marijuana & Real Estate: A Budding Issue

APRIL 2025



NATIONAL
ASSOCIATION OF
REALTORS®

REALTORS® are members of the National Association of REALTORS®.



NARdotRealtor



nar.realtor



2025 NAR Leadership Team

KEVIN SEARS, AHWD, C2EX
President

KEVIN BROWN, AHWD, C2EX
President-Elect

CHRISTINE E. HANSEN, AHWD, C2EX, CIPS, CRB, GRI
First Vice President

CRAIG W. SANFORD, GRI
Treasurer

VINCE MALTA, C2EX, CIPS
Leadership Team Member

JENNIFER BRANCHINI, ABR, AHWD, C2EX, CRS,
e-PRO, PSA
Vice President of Association Affairs

SARA LIPNITZ, PMN, SFR
Vice President of Advocacy

NYKIA WRIGHT
Chief Executive Officer



NAR Research Staff

Lawrence Yun, Ph.D.
Chief Economist and Senior Vice President

Jessica Lautz, Dr. of Real Estate
Deputy Chief Economist and Vice President, Research

Lead Author:
Matt Christopherson
Director, Business & Consumer Research

Meredith Dunn
Research Manager



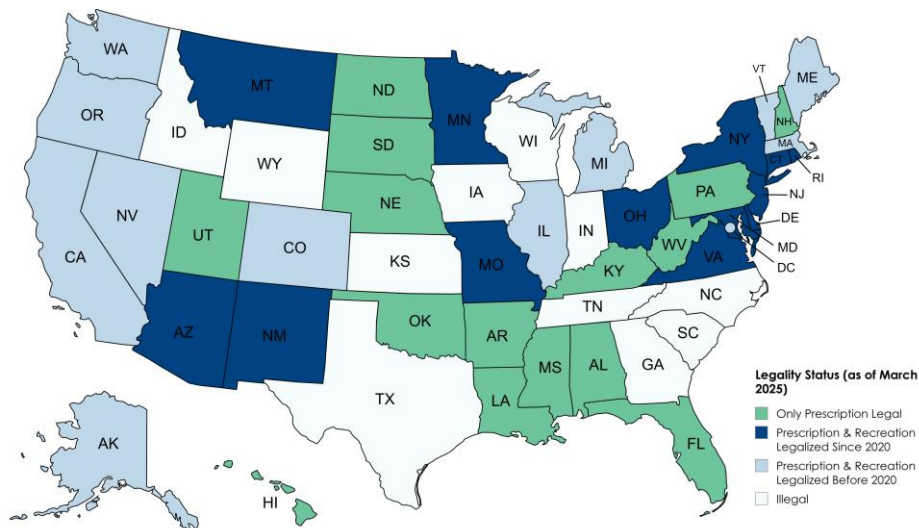
Table of Contents

Introduction	5
Overview	6
Residential Real Estate	8
Selling a Grow House	14
Residential Property Management	18
Commercial Real Estate	26
Commercial Leasing	33
Perception of Crime	41
Survey Respondent Demographics	44
Methodology	48

Introduction

The legalization of marijuana continues to impact the real estate industry. If marijuana is legal within a state, the product is grown, harvested, stored, sold, and consumed within state lines. As such, commercial practitioners are finding increased demand for warehouses, land, and storefronts for marijuana. Residential practitioners are navigating an environment of marijuana being used and/or grown within rental properties, homeowner associations creating rules about consumption and growth, and title questions when selling a home where the product has been grown and consumed. This report dives into these themes using a survey among members of the National Association of REALTORS®.

The report is broken down by how long marijuana has been legal within the state. The legality was based on laws that were in place at the time the survey was deployed in March of 2025.



Overview

In 2025, the majority of the United States now has some form of legalized marijuana, and it is essential for real estate professionals to understand the impacts that legalization has on the industry, and any opportunities this may present. In this report, we measure the effects of marijuana legality on various sectors of the real estate industry, as well as any shifts from the last time the study was conducted in 2023.

Residential Real Estate

- Ten percent of respondents in states where recreational marijuana is legal believed inventory was tight for multiple reasons, including as a result of this industry.
- Respondents primarily report no noticeable change in residential property values near dispensaries.
- **The longer that recreational marijuana is legalized in a state, the more likely that homeowner associations have added restrictions to smoking (43 percent) or growing (33 percent) in common areas.**

Selling a Grow House

- **Twenty percent of residential members in states that legalized recreational marijuana more than five years ago had sold a grow house in the past.**
- The majority of members (60 to 82 percent) who have sold a grow house in the past indicated that it was not hard to sell.

- Members in states with more recently legalized recreational marijuana had the least difficulty selling a grow house (18 percent reported having difficulty).

Residential Property Management

- The longer that recreational marijuana has been legalized, the more likely that addendums are added to leases to prevent growing in properties (38 percent in states legalized more than five years ago, up from 27 percent in 2023).
- **In states where recreational marijuana is legal, 60 to 67 percent of residential property managers have seen addendums added to leases that restrict smoking in properties (56 to 65 percent in 2023).**
- Nearly two-fifths of members in states with any legalized marijuana had no issues leasing a property after the use of marijuana in a property (40 to 50 percent in 2023).
 - When there were issues leasing after smoking, the most common issue was the smell, which 39 to 47 percent of these members had encountered.
- **Approximately one-fifth of landlords were unwilling to take cash at all for rent, and about one-tenth will not take cash from an illegal federal activity for rent. However, nearly half of landlords in states with any form of legalized marijuana do take cash for rent.**

Overview

Commercial Real Estate

- **In states with legalized recreational marijuana, nearly half reported an increase in demand for commercial spaces, with this increasing over time. In these states, approximately one-fifth report increased demand for warehouses.**
- Seven to 12 percent of members had seen an increase and 10 to 20 percent had seen a decrease in commercial property values near dispensaries.
- **Sixteen percent of commercial members in states that legalized recreational marijuana in the past five years reported an increase in property purchasing over leasing in the past year (18 percent in 2023), compared to 10 percent in states that legalized more than five years ago (14 percent in 2023), and eight percent of those in states where only medical marijuana is legal (four percent in 2023).**
- Among commercial members who have seen an increase in property purchasing over leasing in the past year, the majority have seen the increases with warehouses, followed by storefronts, and land.

Perception of Crime

- In states where both prescription and recreational marijuana were legalized, 21 to 28 percent of commercial members reported a *perception* of an increase in crime near dispensaries, while 39 to 46 percent reported no change in perception of crime.
- *Actual* increases in crime near dispensaries were less frequent than *perceived* increases in crime. Nearly half of commercial

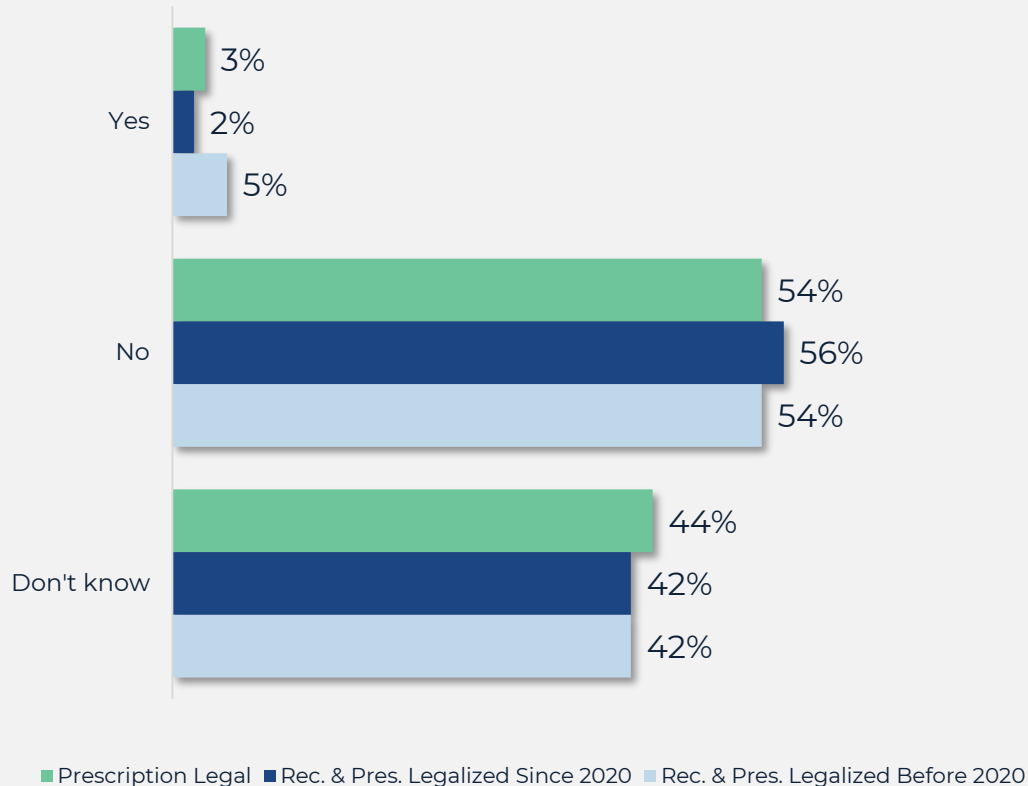
members with any level of legal marijuana cited no *actual* change in crime.

Commercial Leasing

- Seven to 12 percent of commercial members in states with some form of legalized marijuana were leasing to marijuana related businesses.
 - **Commercial member respondents currently leasing to marijuana businesses are primarily leasing storefront (72 to 83 percent) and warehouse (50 to 78 percent) properties.**
 - **More than two-thirds of commercial landlords who are leasing to marijuana businesses are Mom & Pop landlords that are smaller in size (less than 10 properties).**
- Approximately half or more of commercial member respondents reported that no additional addendums were added to leases regarding the sale of marijuana. However, 35 percent in states where recreational marijuana was legal the longest did have lease addendums regarding sales of marijuana (23 percent in 2023).
- The most frequently cited concern was the smell when leasing to marijuana related businesses, followed by fire hazards, and theft of cash on property.
- **In states where recreational marijuana has been legal the longest, 38 percent say landlords are willing to take cash for rent (45 percent in 2023).**

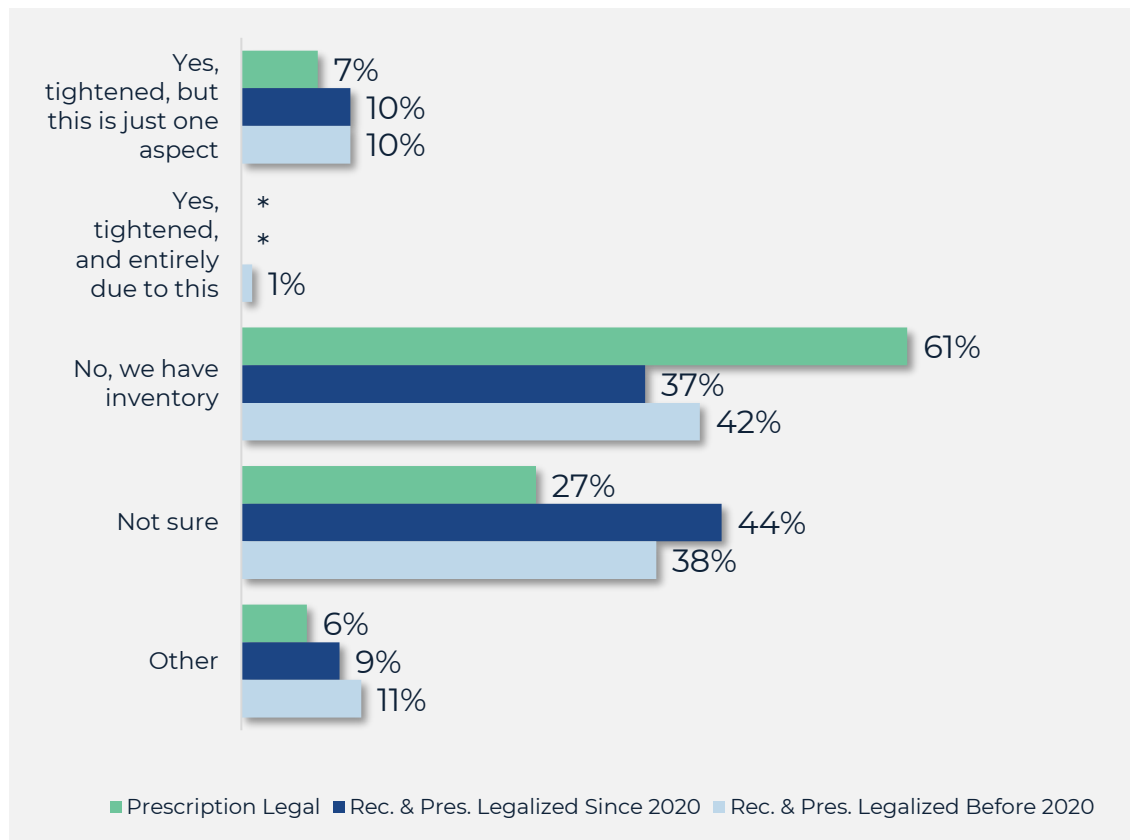
Residential Real Estate

MLS Contains Marijuana Fields



As marijuana-related real estate is a continually growing market, currently only two to five percent of respondents were aware of their MLS containing a specific marijuana field.

Residential Inventory Due to All-Cash Purchases

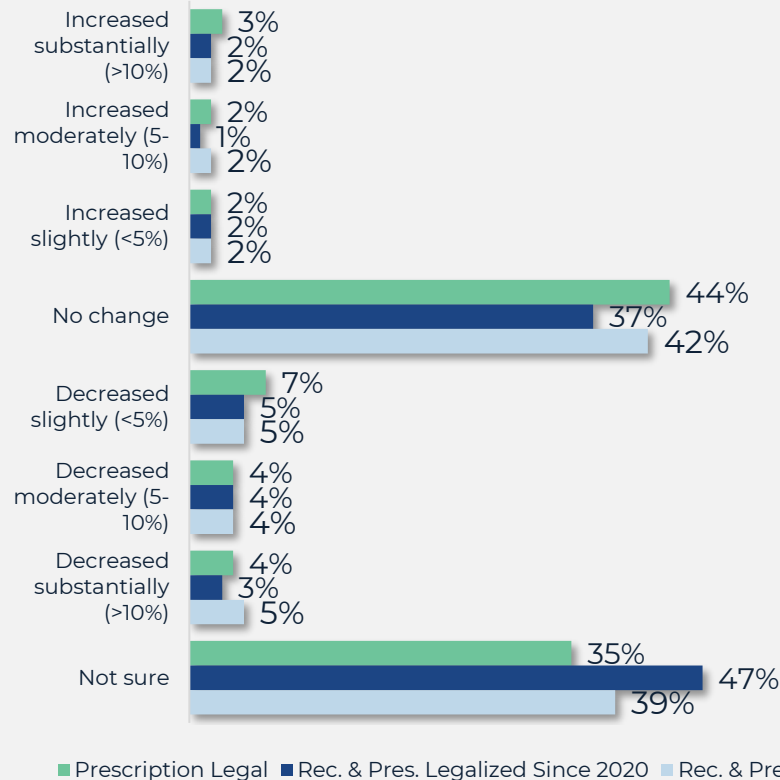


* = less than 1%

Respondents primarily reported they weren't sure or aware of an effect on inventory due to all-cash purchases from the marijuana industry, or that they have available inventory.

Ten percent of respondents in states where recreational marijuana is legal believed inventory was tight for multiple reasons, including as a result of this industry.

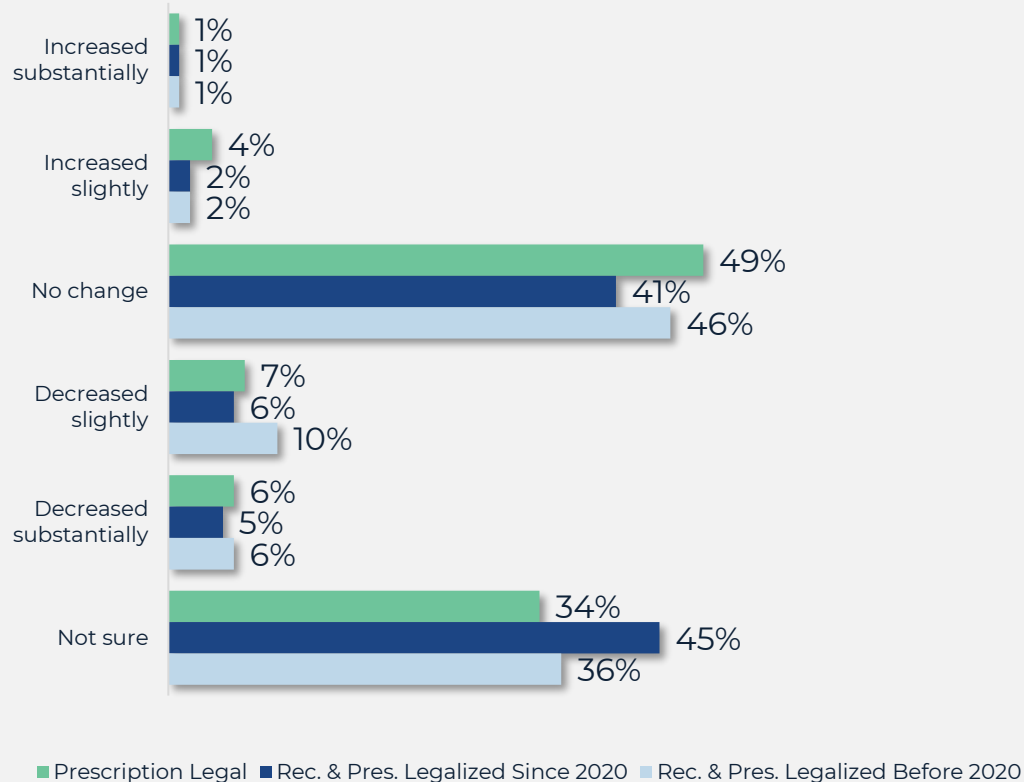
Residential Property Values Near Dispensaries



Respondents primarily report no noticeable change in residential property values near dispensaries.

In states where marijuana was legal the longest, 14 percent had seen a decrease in residential property values near dispensaries (13 percent in 2023) and six percent had seen an increase (5 percent in 2023).

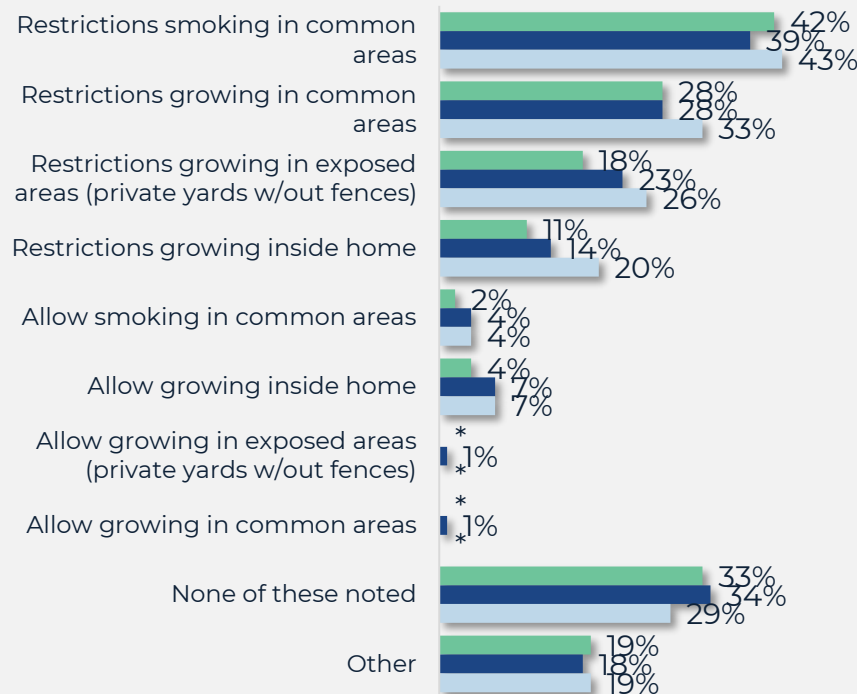
Residential Demand Near Dispensaries



Respondents primarily reported no change in demand for residential properties near dispensaries.

In states where marijuana was legal the longest, 16 percent had seen a decrease in residential demand near dispensaries and three percent had seen an increase.

Homeowner Association Rules and Regulations



■ Prescription Legal ■ Rec. & Pres. Legalized Since 2020 ■ Rec. & Pres. Legalized Before 2020

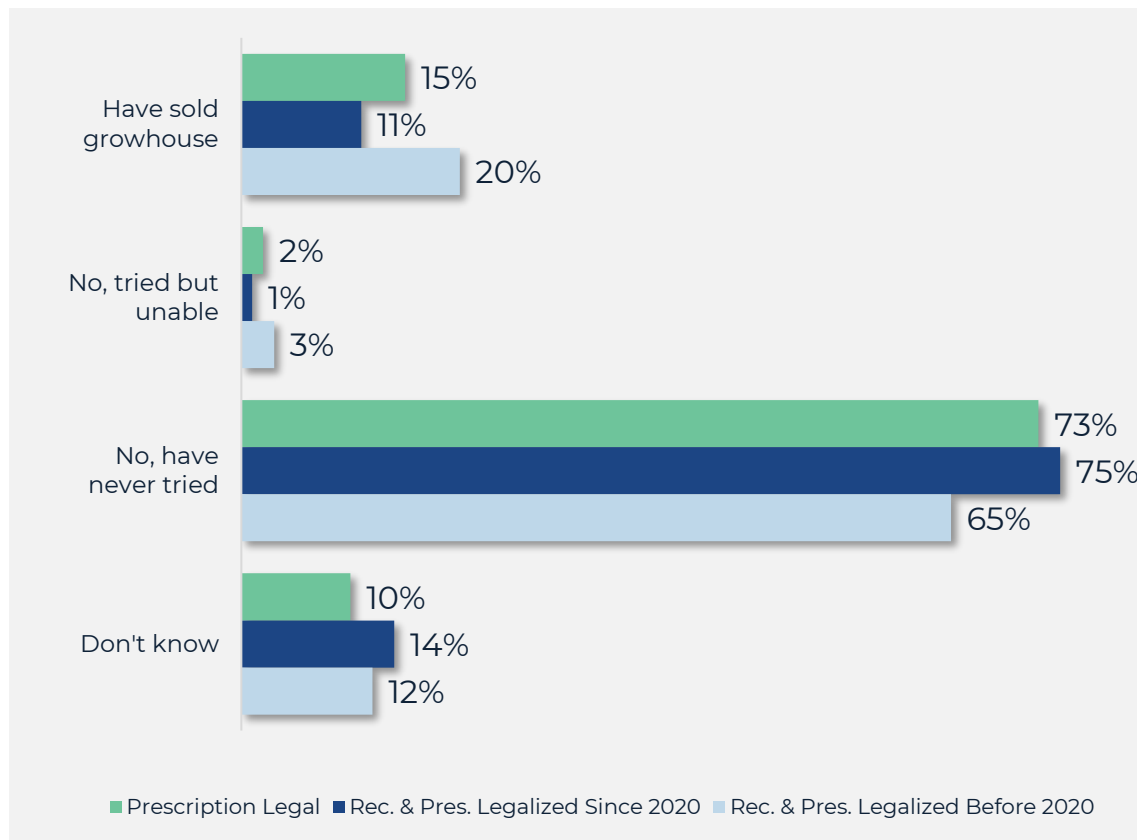
* = less than 1%

States with recreational marijuana legalized more than five years ago more often reported that homeowner associations had restrictions on smoking and growing in common areas.

The longer that recreational marijuana is legalized in a state, the more likely that homeowner associations have added restrictions surrounding this.

Selling a Grow House

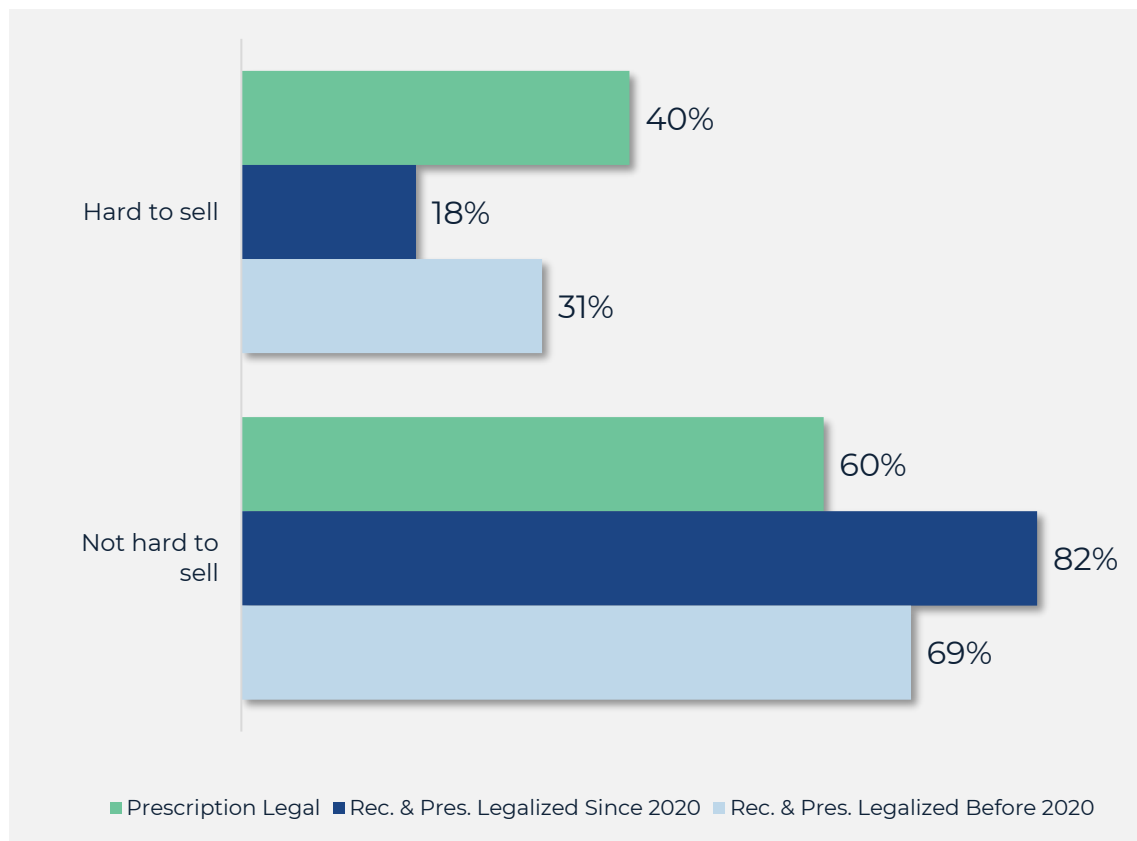
Experience Selling Grow Houses



Nearly two-thirds of respondents in states with legal medical marijuana had never tried selling a grow house, compared to more than three-fourths in states that legalized recreational marijuana.

Twenty percent of residential members in states that legalized recreational marijuana more than five years ago had sold a grow house in the past.

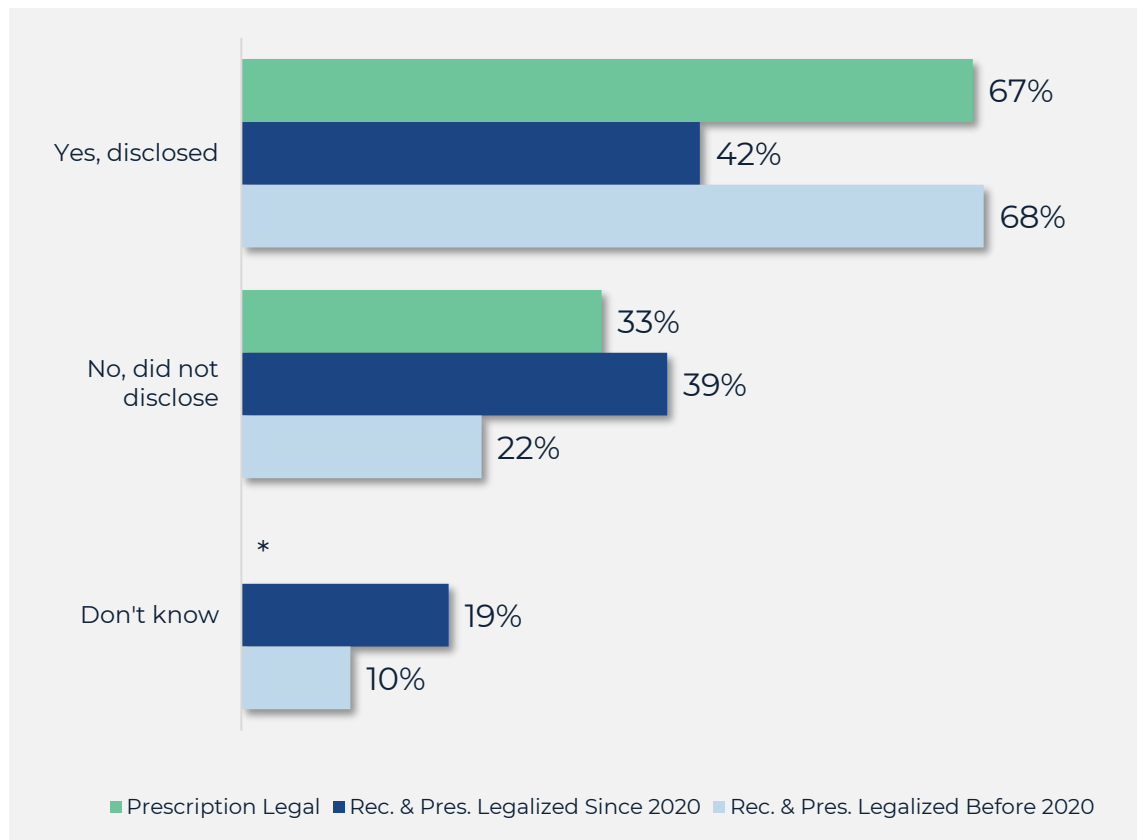
Difficulty Selling Grow Houses



The majority of members (60 to 82 percent) who have sold a grow house in the past indicated that it was not hard to sell.

Members in states with more recently legalized marijuana had the least difficulty selling a grow house.

Disclosed Home Sale As Grow House

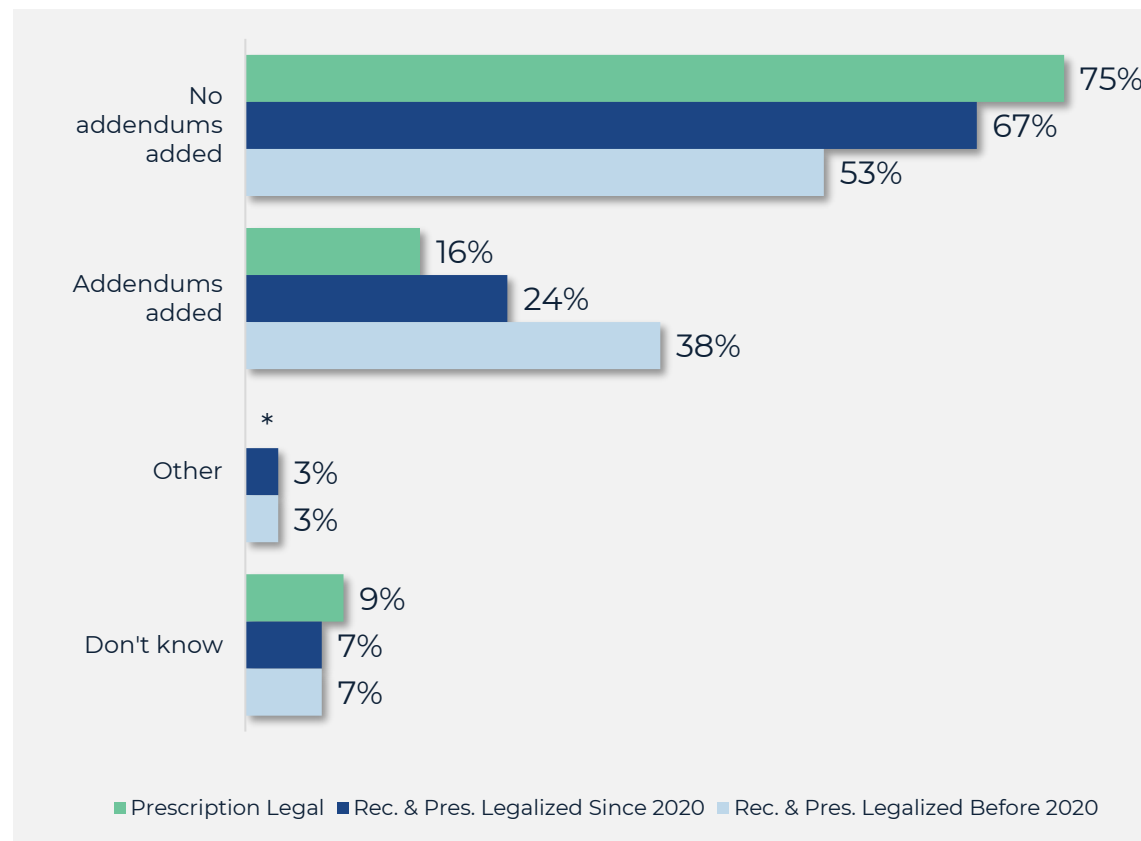


Among members who had sold a grow house, two-thirds in states that legalized more than five years ago, or with only medical marijuana, did disclose that the house was used as a grow house.

This share decreased to two-fifths in states where recreational marijuana was legalized more recently.

Residential Property Management Experience

Addendum/Provisions in Leases: Restrictions on *Growing*

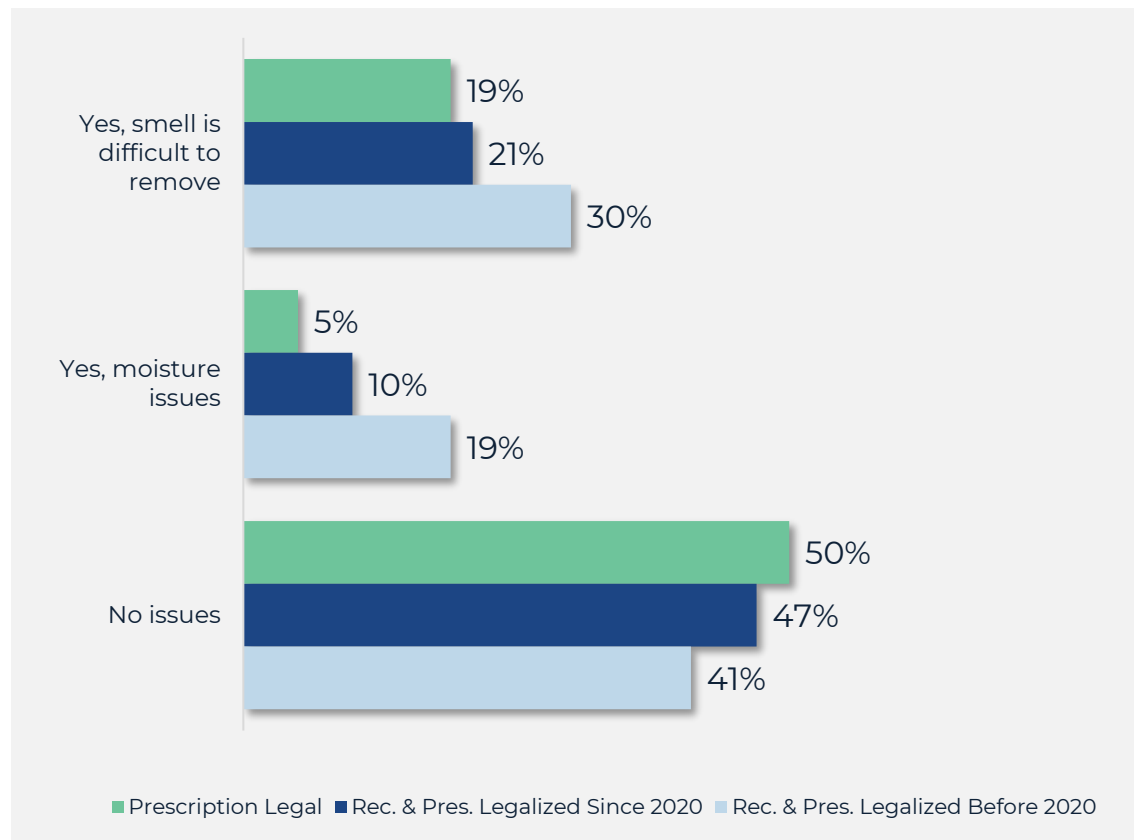


* = less than 1%

The majority of residential property managers in states with legalized marijuana had *not* seen addendums added to leases that restrict growing in properties.

The longer that recreational marijuana has been legalized, the more likely that addendums are added to leases to prevent growing in properties (38 percent, up from 27 percent in 2023).

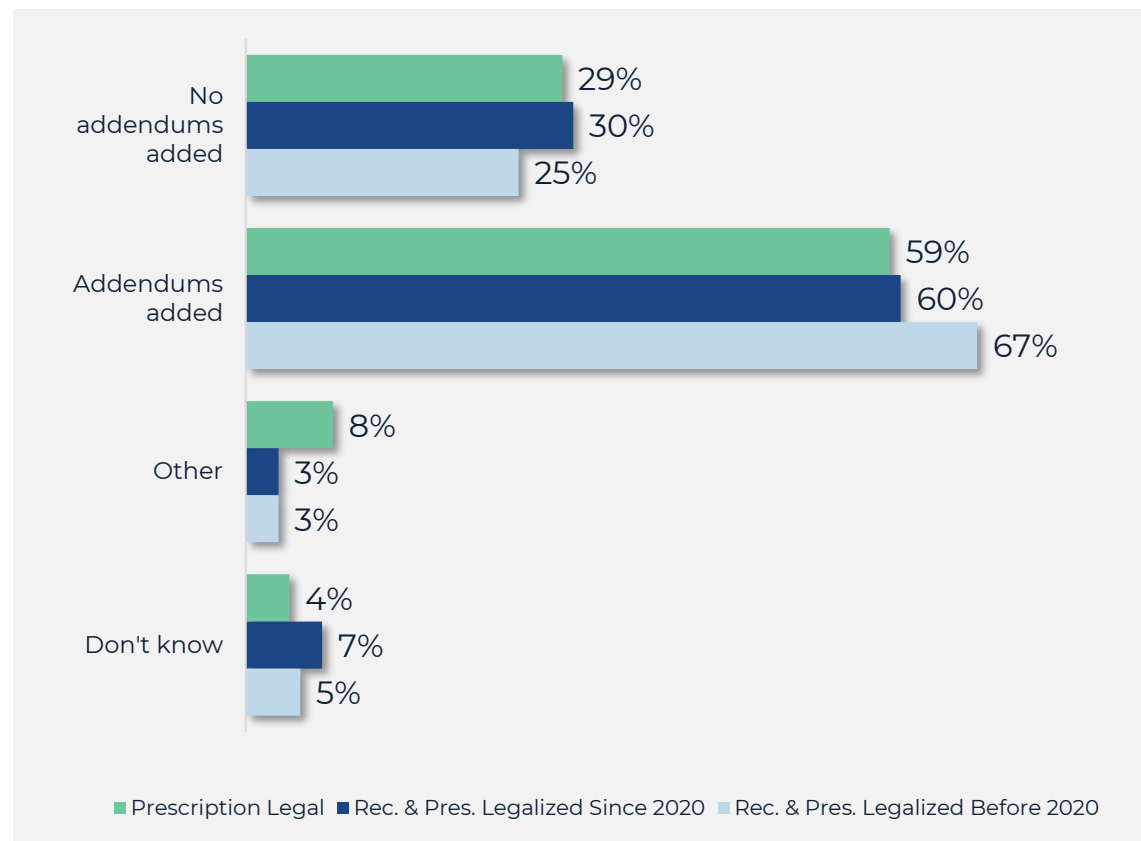
Difficulty Leasing Property After *Growing* of Marijuana



Nearly half of respondents, regardless of legality status, had no issues leasing a property after the growth of marijuana in a property.

When issues have occurred, the most common was the smell, followed by moisture issues. Both issues were more common in areas where recreational marijuana has been legal for more than five years.

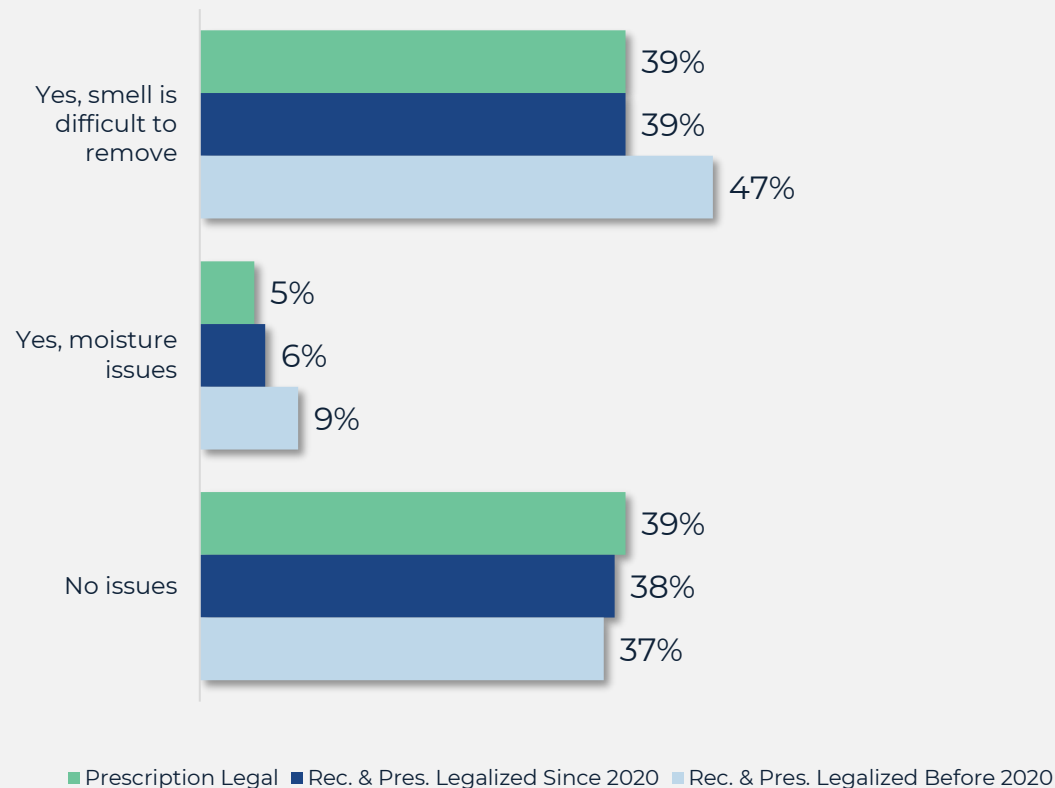
Addendum/Provisions in Leases: Restrictions on *Smoking*



In states where recreational marijuana is legal, 60 to 67 percent of residential property managers have seen addendums added to leases that restrict smoking in properties (56 to 65 percent in 2023).

In states where only medical marijuana is legal, nearly one-third had not seen addendums added to leases which restrict smoking (33 percent in 2023).

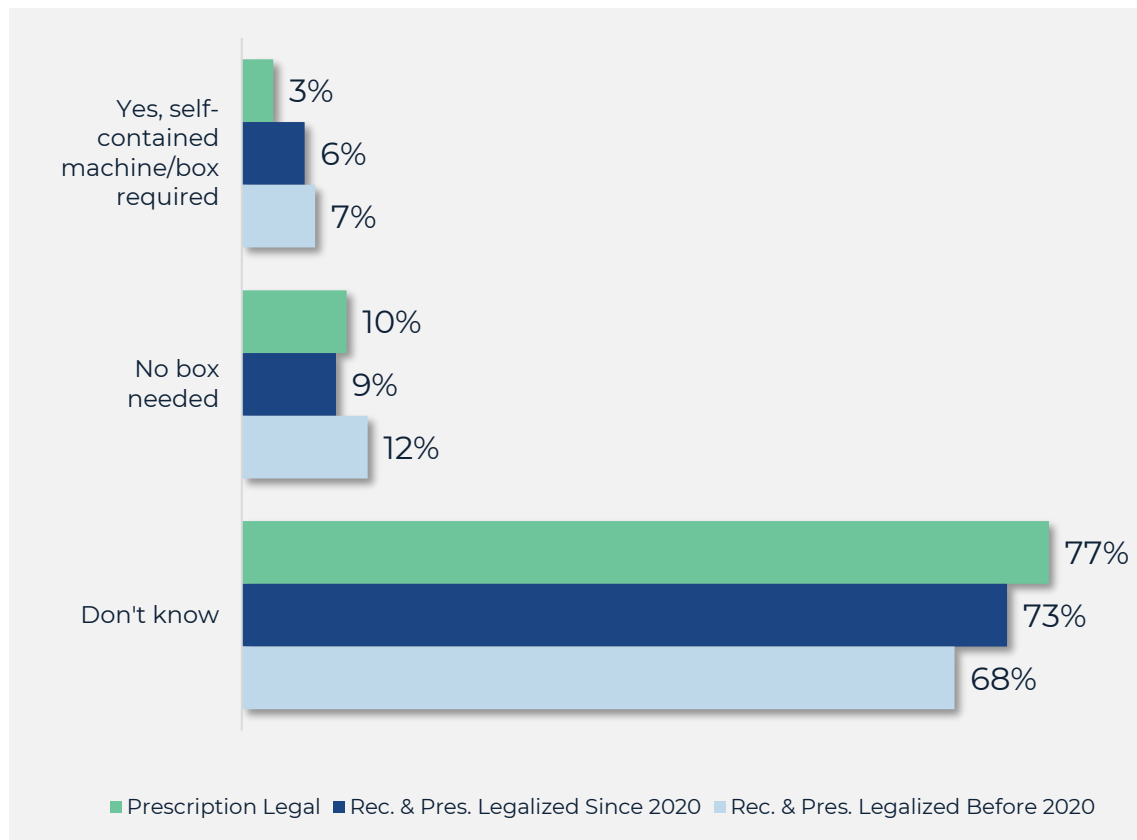
Difficulty Leasing Property After *Smoking* of Marijuana



Nearly two-fifths of members in states with any legalized marijuana had no issues leasing a property after the use of marijuana in a property (40 to 50 percent in 2023).

When there were issues leasing after smoking, the most common issue was the smell, which 39 to 47 percent of these members had encountered.

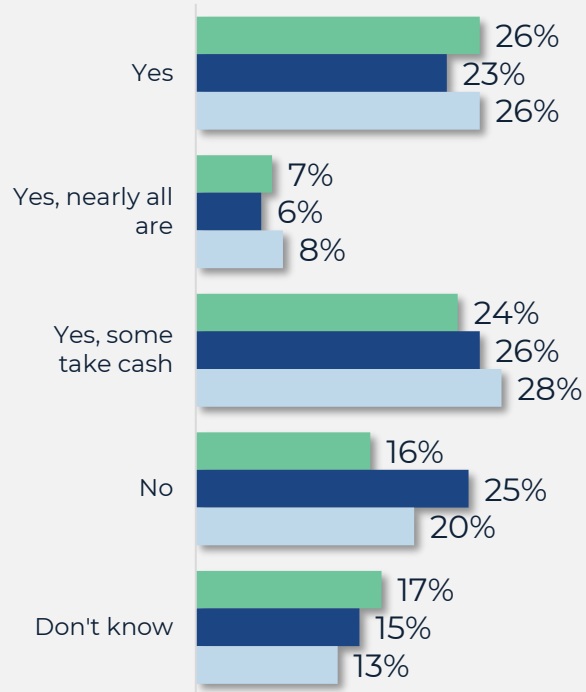
Tenant Growing: Self-Contained Growing Box/Machine



When tenants are allowed to grow marijuana in their rental units, sometimes a self-contained growing box is used to mitigate possible negative impacts to the property.

However, when growing is allowed in the property, less than 10 percent said self-contained machines/boxes were required (similar to 2023).

Landlords Willing to Accept Cash for Rent



■ Prescription Legal ■ Rec. & Pres. Legalized Since 2020 ■ Rec. & Pres. Legalized Before 2020

The majority of landlords in states with any form of legalized marijuana are willing to take cash for rent.

This is most common in states that legalized recreational marijuana more than five years ago (62 percent).

Landlords Willing to Accept Cash from Marijuana Proceeds for Rent

Most landlords will take cash and don't ask where cash comes from

37%

35%

35%

Yes, nearly all are

3%

1%

2%

Yes, some take cash

8%

13%

9%

No, most will not take cash from illegal federal activity

10%

10%

12%

No, most will not take cash at all

19%

23%

21%

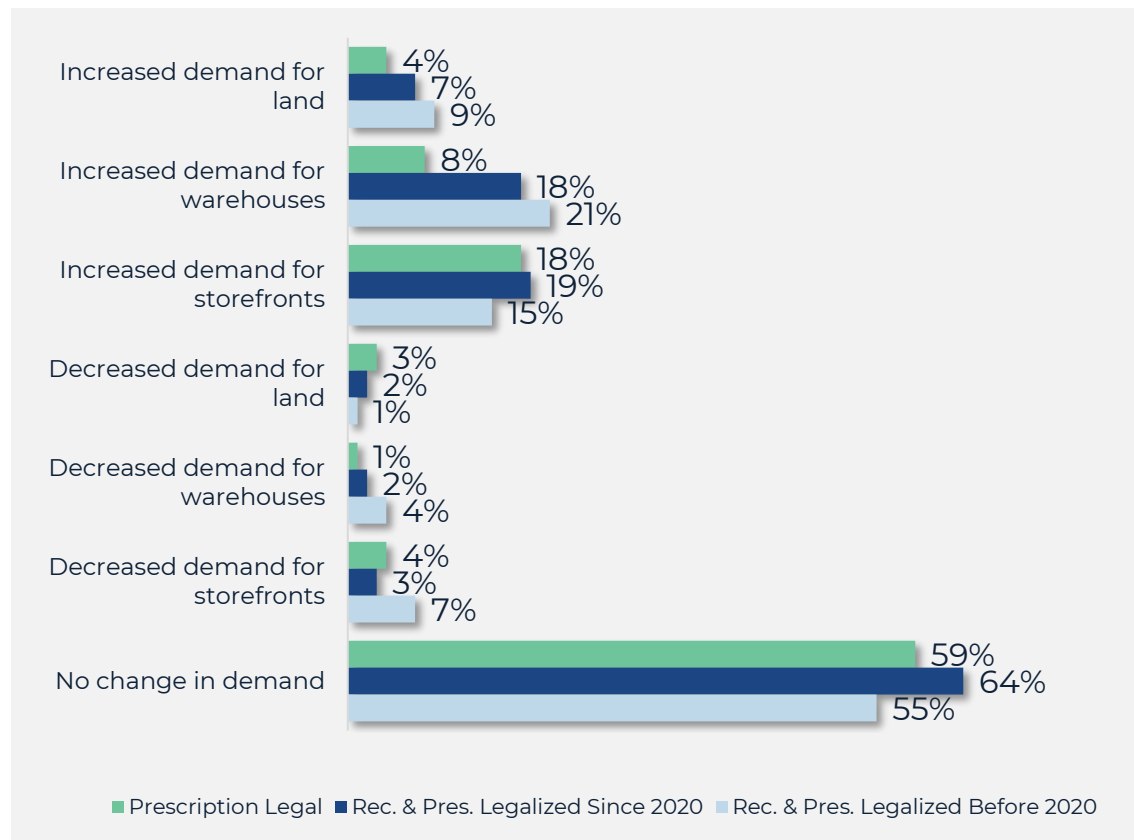
■ Prescription Legal ■ Rec. & Pres. Legalized Since 2020 ■ Rec. & Pres. Legalized Before 2020

As marijuana is often an all-cash business, earnings from people in the business are cash proceeds. About one-fifth of landlords were unwilling to take cash at all for rent, and about one-tenth will not take cash from an illegal federal activity for rent.

However, nearly half of landlords in states with any form of legalized marijuana do take cash for rent.

Commercial Real Estate

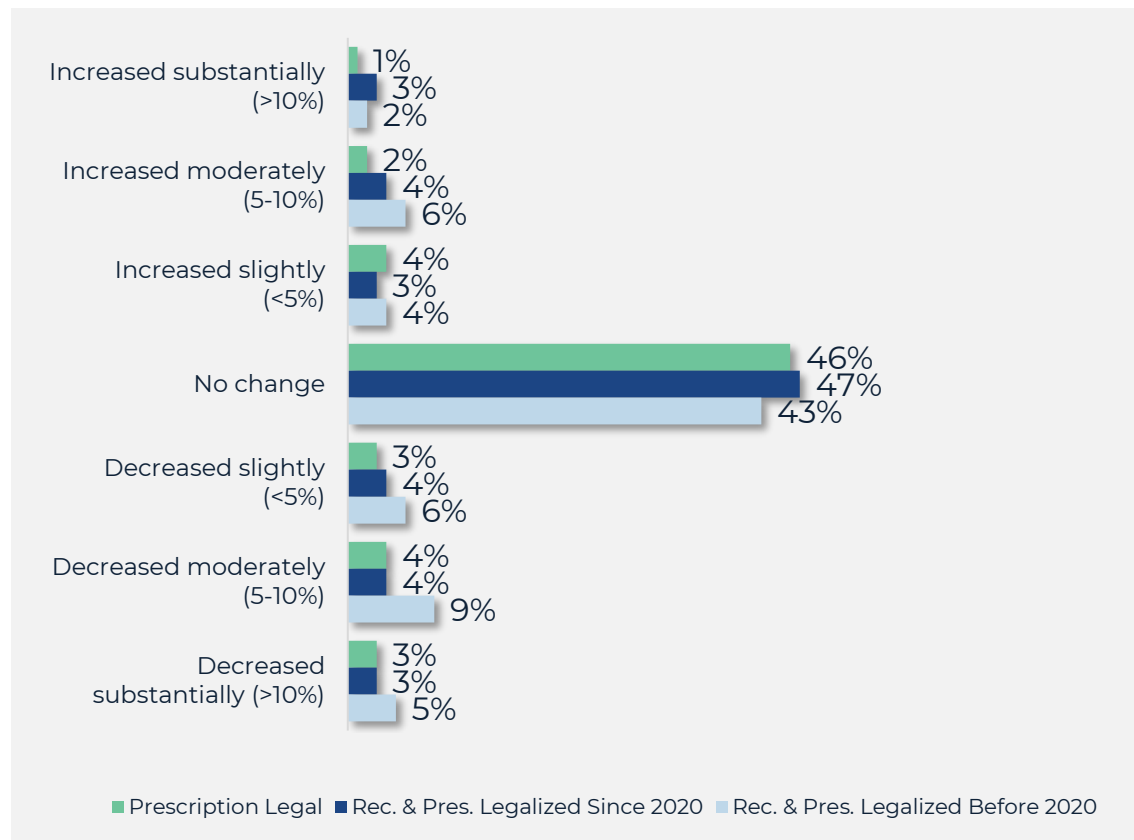
Commercial Demand Changes from Marijuana Legalization



In states with legalized recreational marijuana, nearly half reported an increase in demand for commercial spaces, with this increasing over time. In these states, approximately one-fifth report increased demand for warehouses.

In states with legalized prescription marijuana, and more recently legalized recreational marijuana, about one-fifth report increased demand for storefronts.

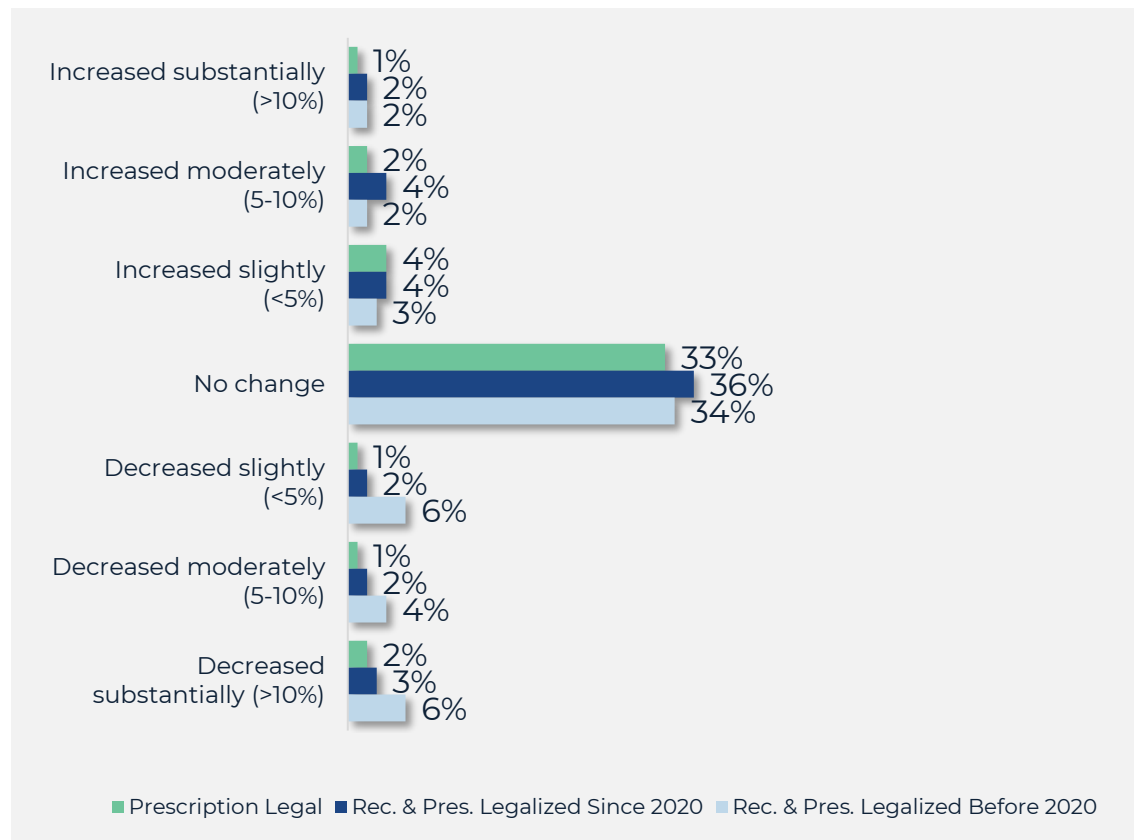
Commercial Property Values Near *Dispensaries*



Nearly half of members in states with only medical marijuana or where recreational was more recently legalized had not seen a change in commercial property values near dispensaries, compared to more than two-fifths of those in states where recreational marijuana was legalized the longest.

Seven to 12 percent of members had seen an increase and 10 to 20 percent had seen a decrease in commercial property values near dispensaries.

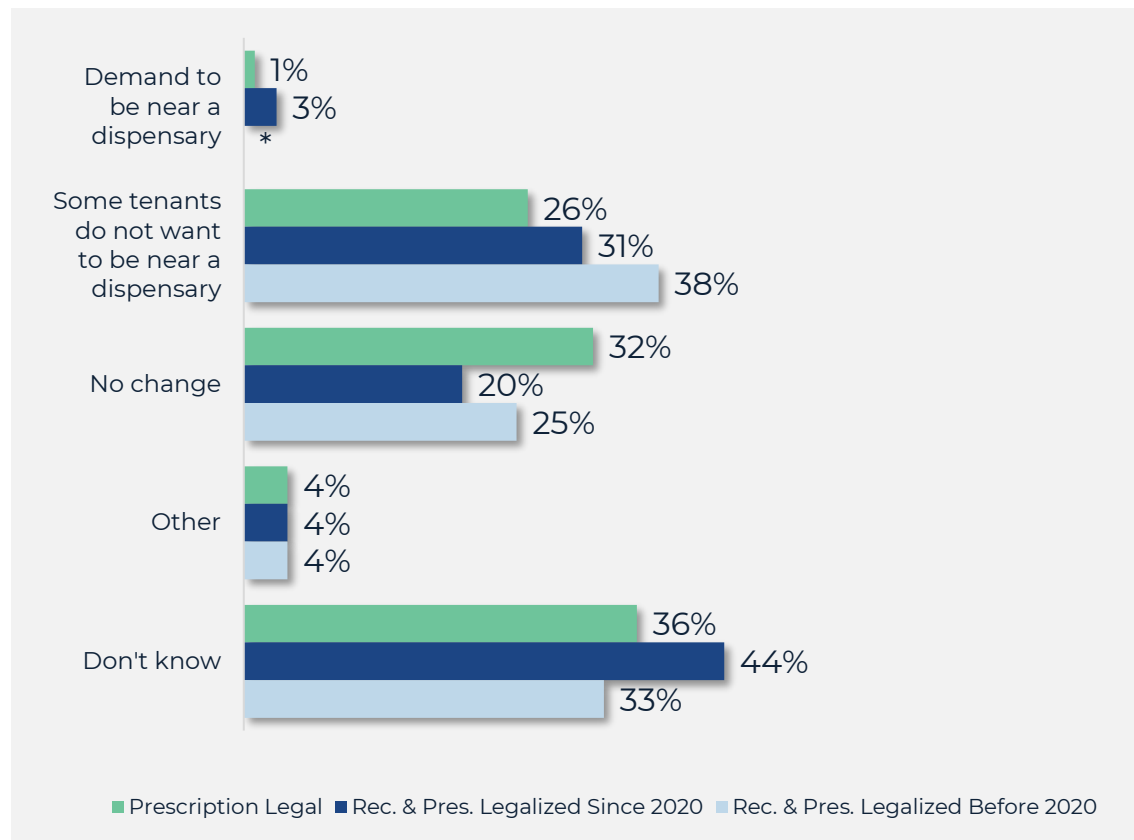
Commercial Property Values Near *Growing Land*



At least one-third of members in states where marijuana is legal to some extent had not seen a change in commercial property values near growing lands.

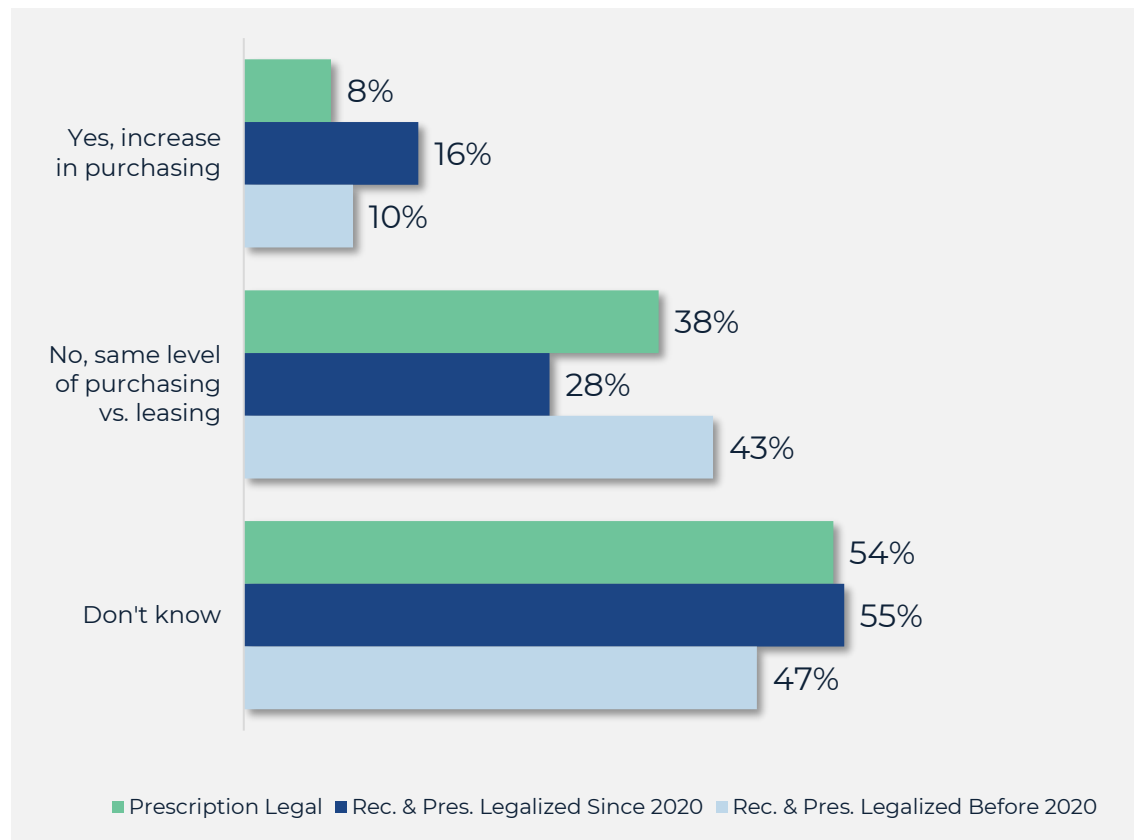
Seven to 10 percent of members in these states had seen an increase and four to 16 percent had seen a decrease in commercial property values near growing lands.

Change in Who Will Lease Near a Dispensary



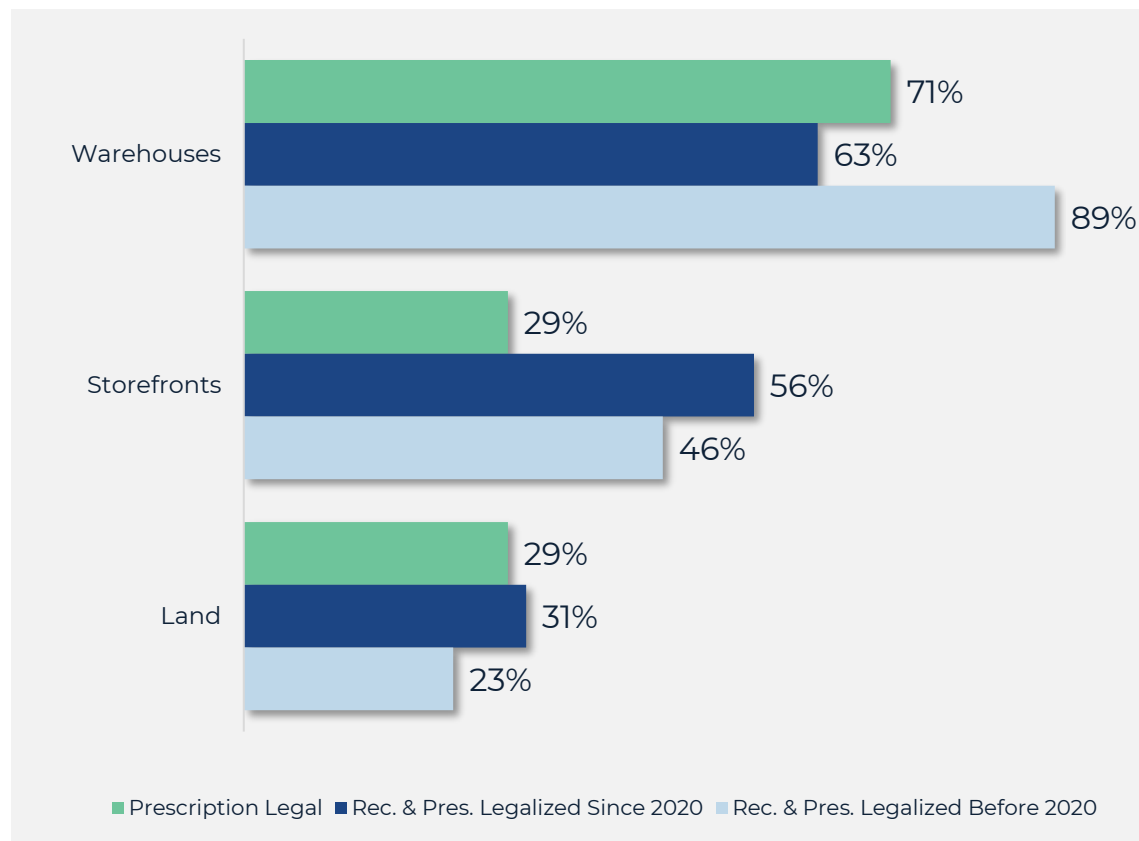
Twenty-six percent of commercial members in states with only medical marijuana noted some tenants do not want to be near a dispensary, compared to 31 percent where recreational was legalized in the past five years, and 38 percent in states where recreational was legalized more than five years ago.

Seen Increase in Property Purchases vs. Leases in Past Year



Sixteen percent of commercial members in states that legalized recreational marijuana in the past five years reported an increase in property purchasing over leasing in the past year (18 percent in 2023), compared to 10 percent in states that legalized more than five years ago (14 percent in 2023), and eight percent of those in states where only medical marijuana is legal (four percent in 2023).

Properties Seeing Increase in Purchases vs. Leasing



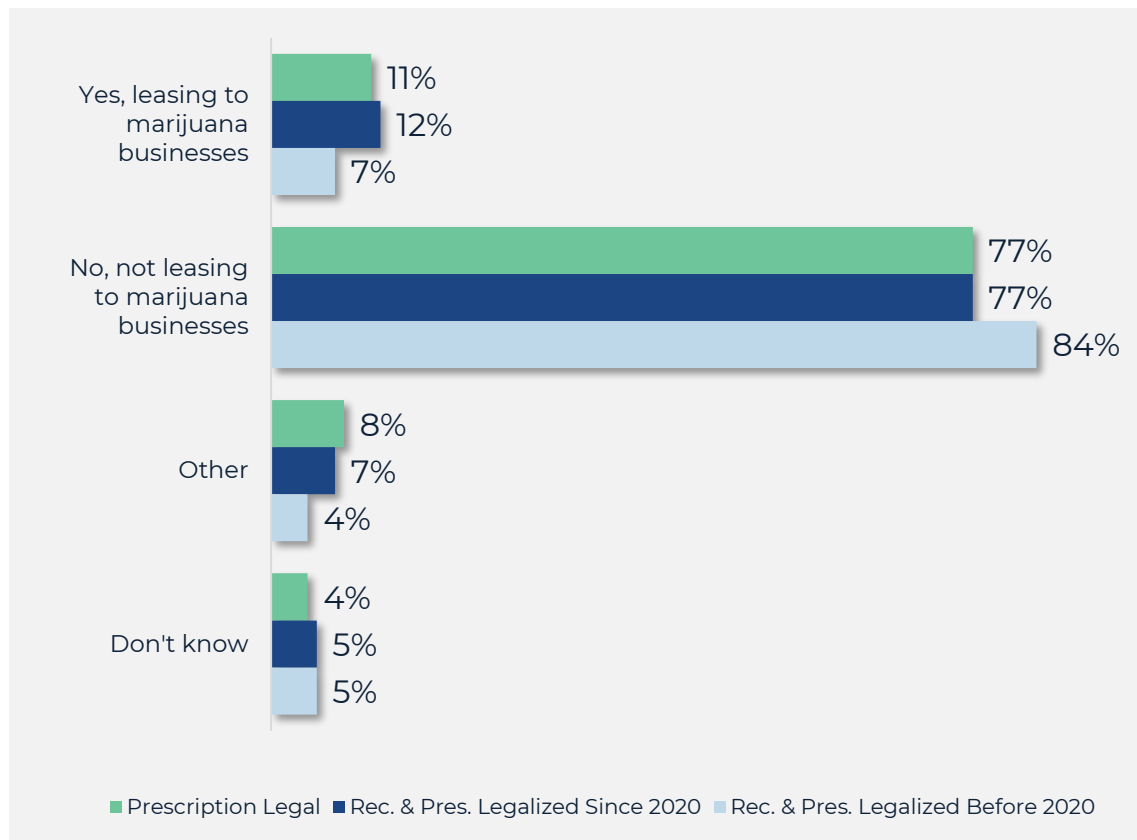
Among commercial members who have seen an increase in property purchasing over leasing in the past year, the majority have seen the increases with warehouses, followed by storefronts, and land.

Seventy-one to 89 percent of these members reported an increase in purchasing warehouses over leasing in the past year.

Commercial Leasing



Leasing to Marijuana-Related Businesses

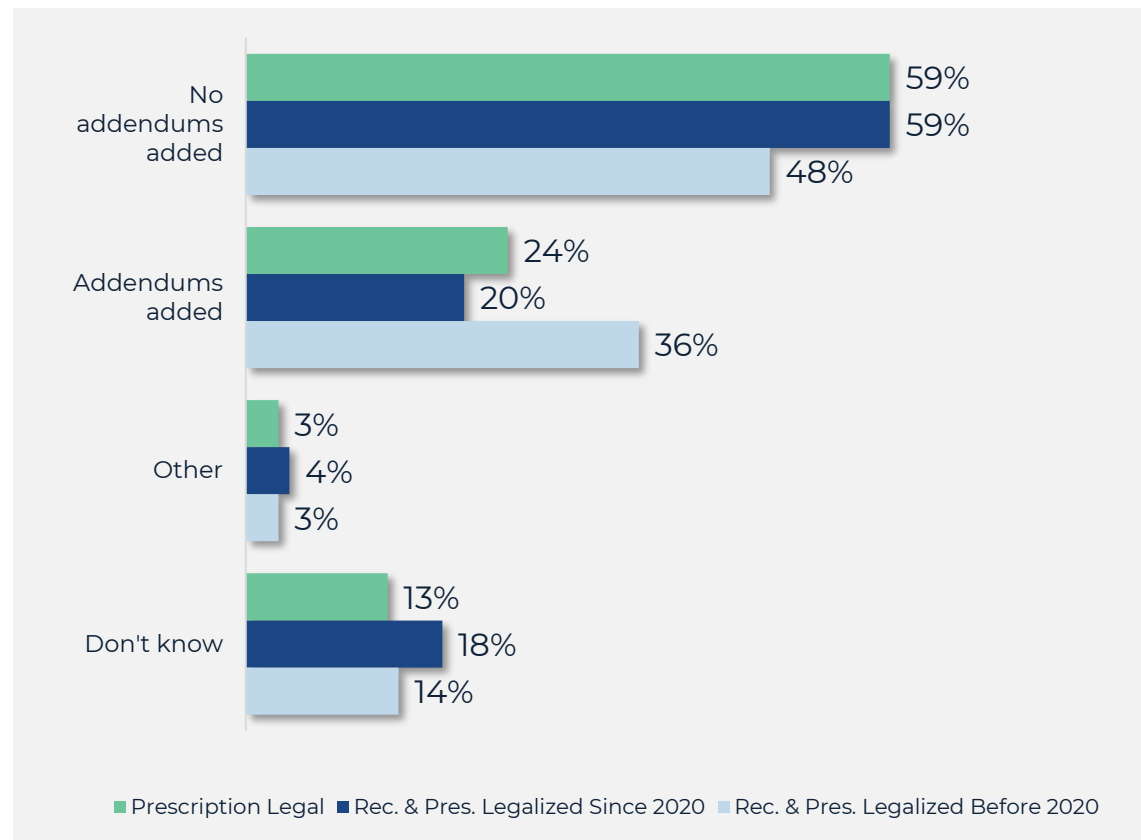


The majority of commercial member respondents were not currently leasing to marijuana-related businesses.

About one in ten commercial members in states where only prescription marijuana is legal or where recreational marijuana was more recently legalized were leasing to marijuana-related businesses.

In states where recreational marijuana was legalized the longest, seven percent were leasing to marijuana-related businesses.

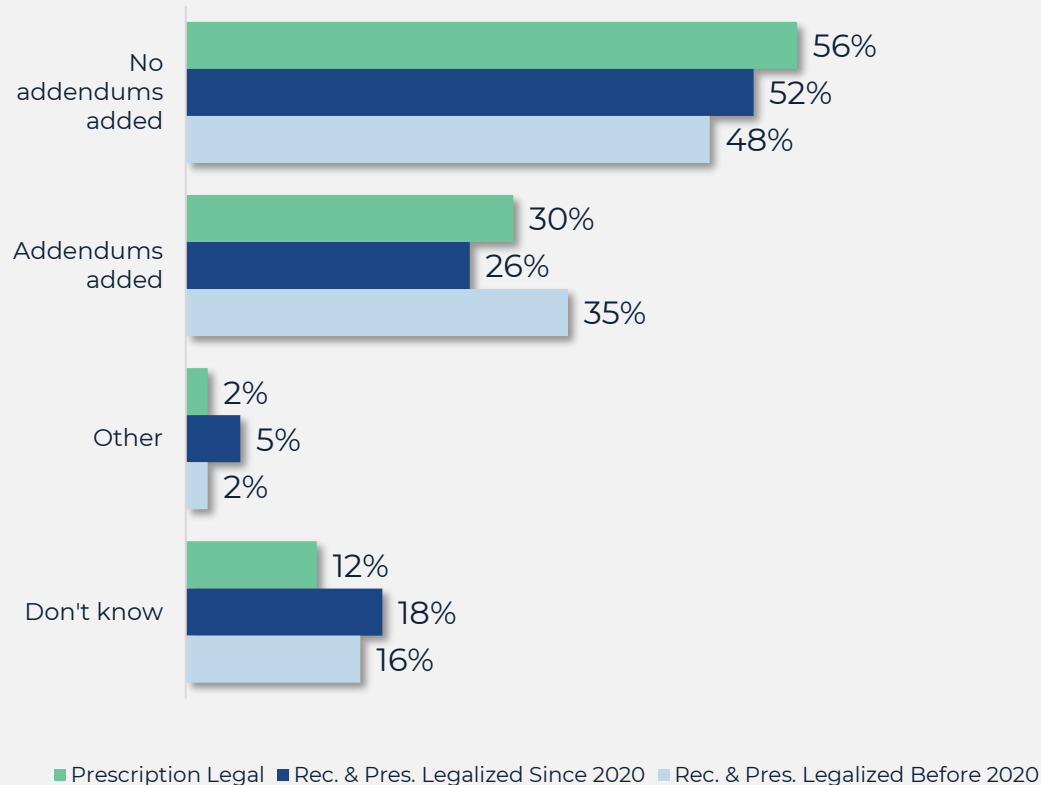
Addendum/Provisions in Leases: Restrictions on **Growing**



Thirty-six percent of states where recreational marijuana was legal the longest had lease addendums regarding the growing of marijuana (27 percent in 2023).

In more recently legalized states and those with only medical marijuana, the majority have not seen lease addendums on growing added to leases.

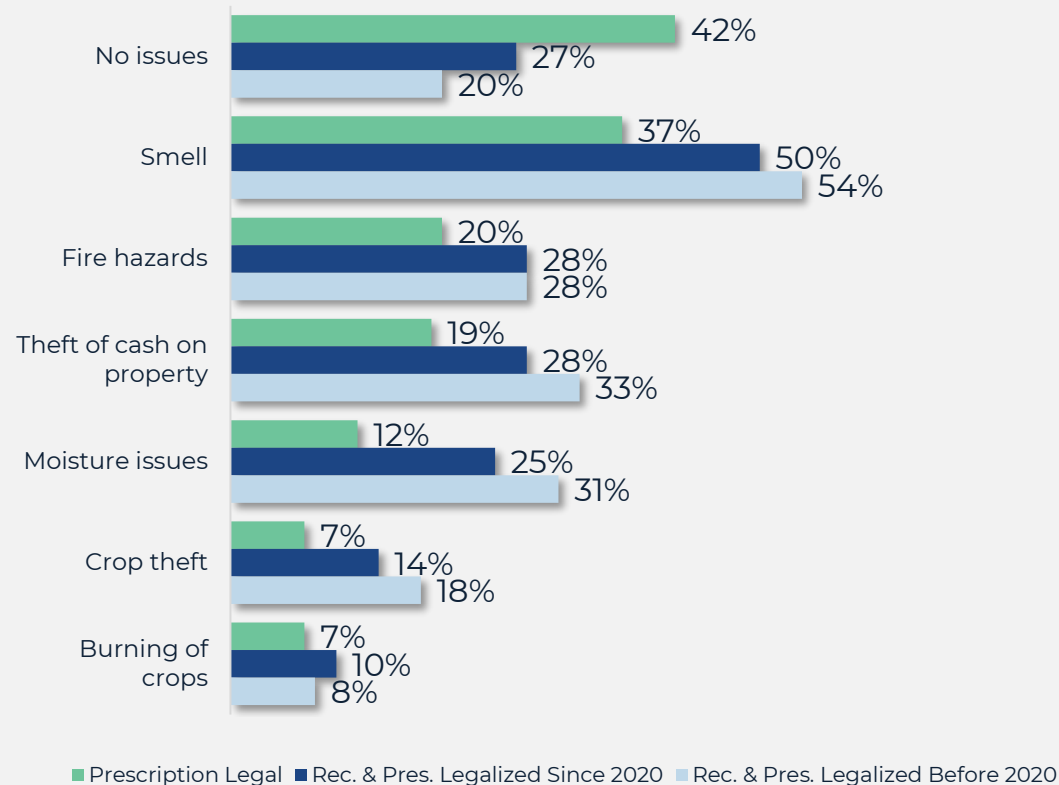
Addendum/Provisions in Leases: Restrictions on *Selling*



Approximately half or more of commercial member respondents reported that no additional addendums were added to leases regarding the *sale* of marijuana.

Thirty-five percent of states where recreational marijuana was legal the longest had lease addendums regarding sales of marijuana (23 percent in 2023).

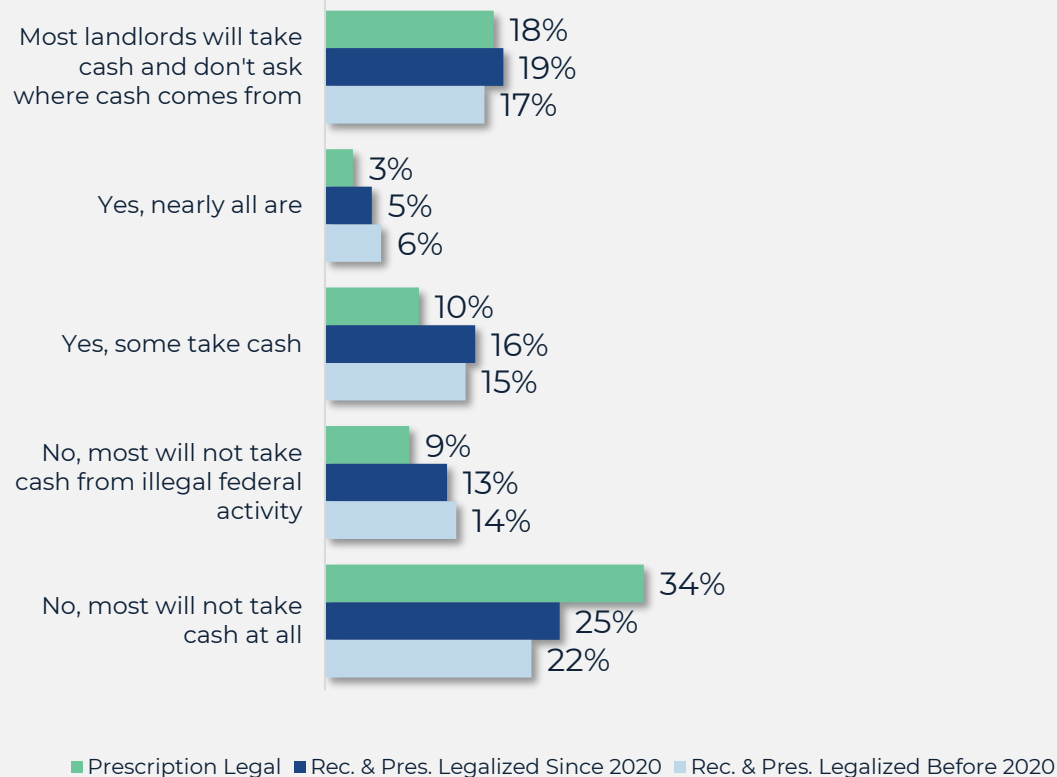
Leasing Concerns of Marijuana Businesses



More than two-fifths of commercial member respondents in states with only medical marijuana reported no concerns leasing to marijuana businesses, compared to one-fifth of those where recreational marijuana has been legal the longest.

The most frequently cited concern was the smell when leasing to marijuana related businesses, followed by fire hazards, and theft of cash on property.

Landlords Willing to Accept Cash from Marijuana Proceeds for Rent

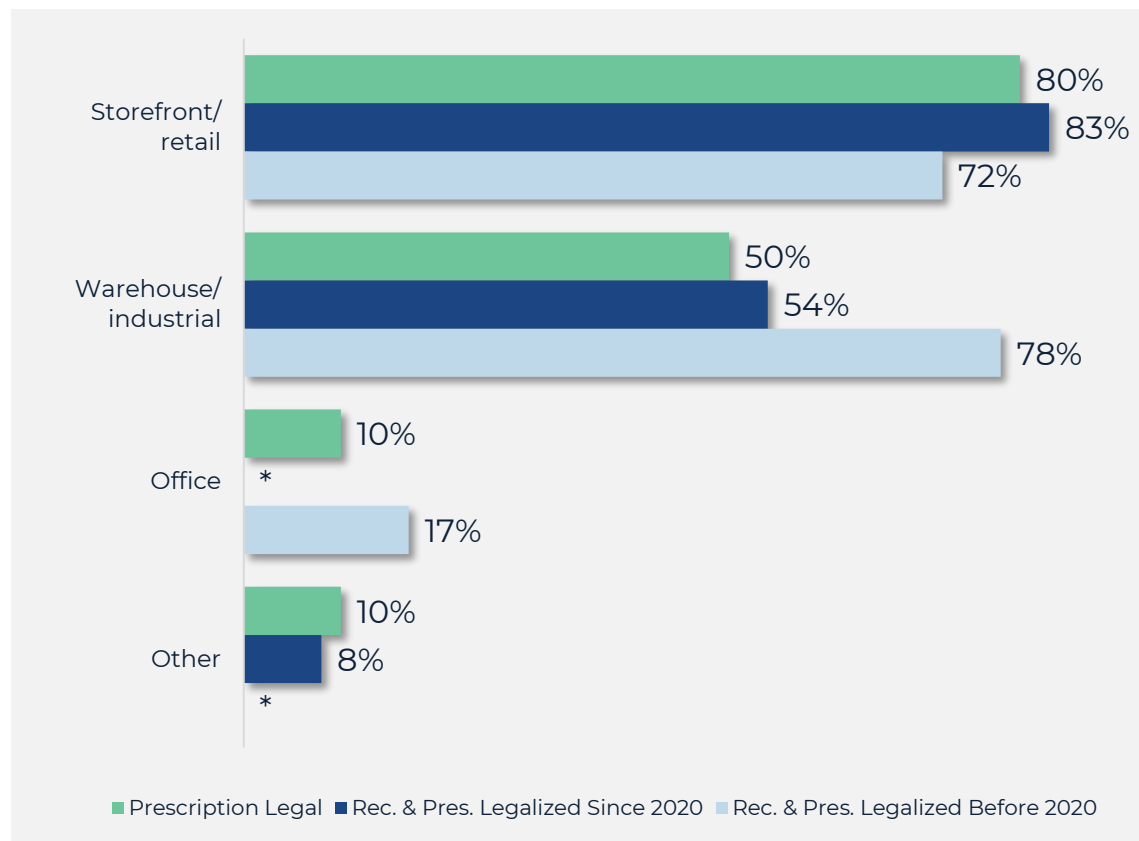


Nearly one-third of commercial landlords in states with only medical marijuana were willing to take cash at all for rent.

About one-tenth will not take cash for rent from an illegal federal activity.

In states where recreational marijuana has been legal the longest, 38 percent say landlords are willing to take cash for rent (45 percent in 2023).

Type(s) of Properties Leased to Marijuana Businesses

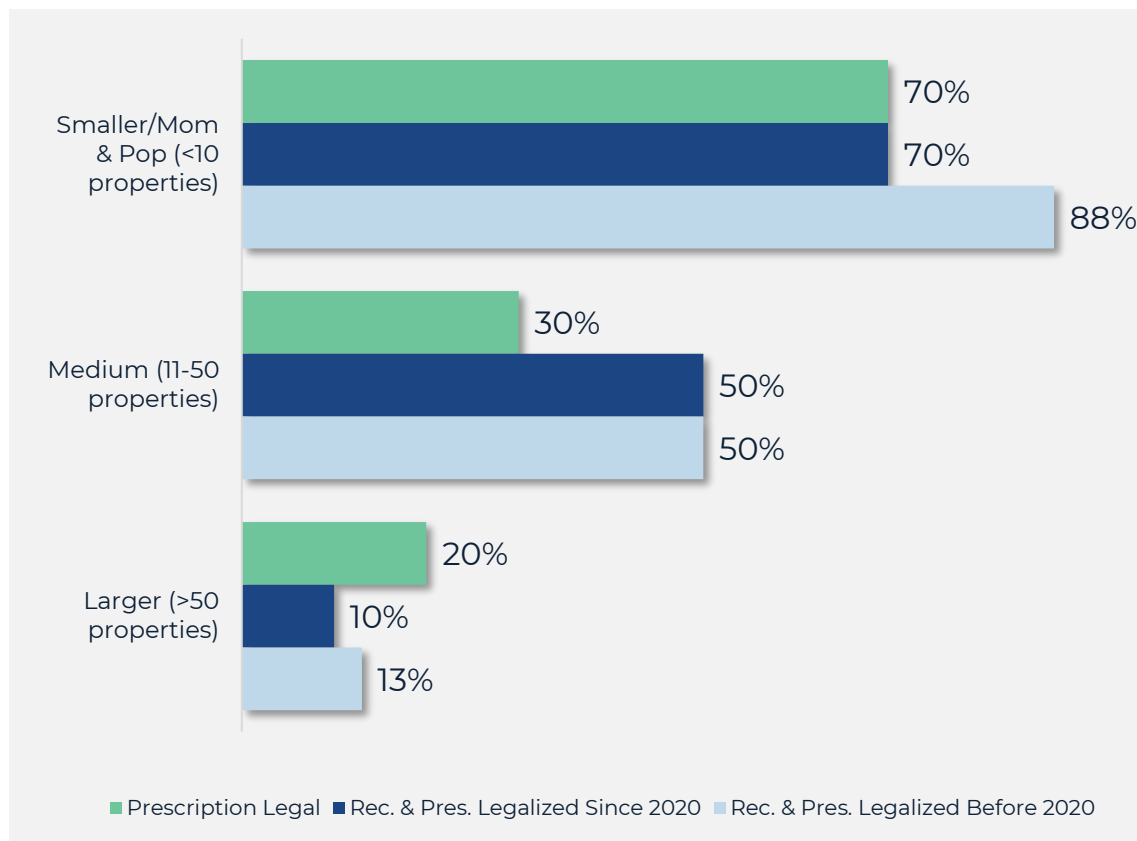


* = less than 1%

Commercial member respondents currently leasing to marijuana businesses are primarily leasing storefront (72 to 83 percent) and warehouse (50 to 78 percent) properties.

It is more common to be leasing warehouse space to marijuana businesses in states that legalized recreational marijuana more than five years ago.

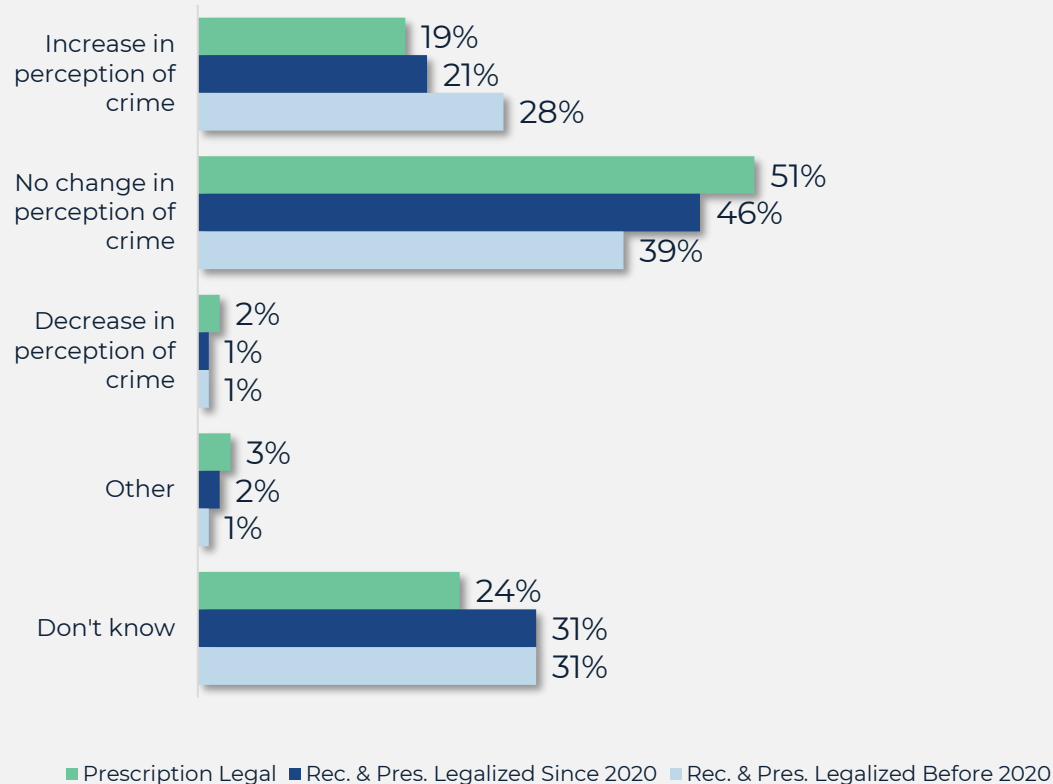
Size of Landlords Leasing to Marijuana Businesses



More than two-thirds of commercial landlords who are leasing to marijuana businesses are Mom & Pop landlords that are smaller in size (less than 10 properties).

Perception of Crime

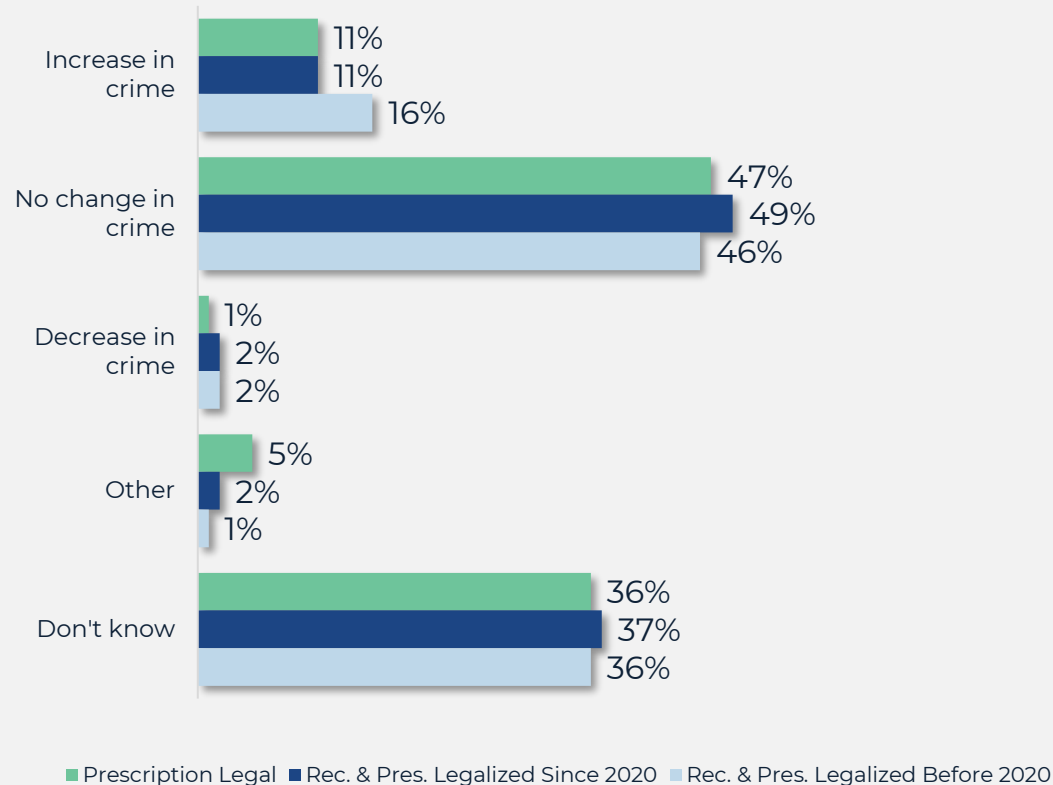
Perception of Change in Crime Near Dispensaries



In states where only prescription marijuana is legal, 51 percent of commercial members said there was no change in the perception of crime (53 percent in 2023).

In comparison, in states where both prescription and recreational marijuana were legalized, 21 to 28 percent of commercial members reported a perception of an increase in crime near dispensaries, while 39 to 46 percent saw no change in perception of crime.

Actual Change in Crime Near Dispensaries

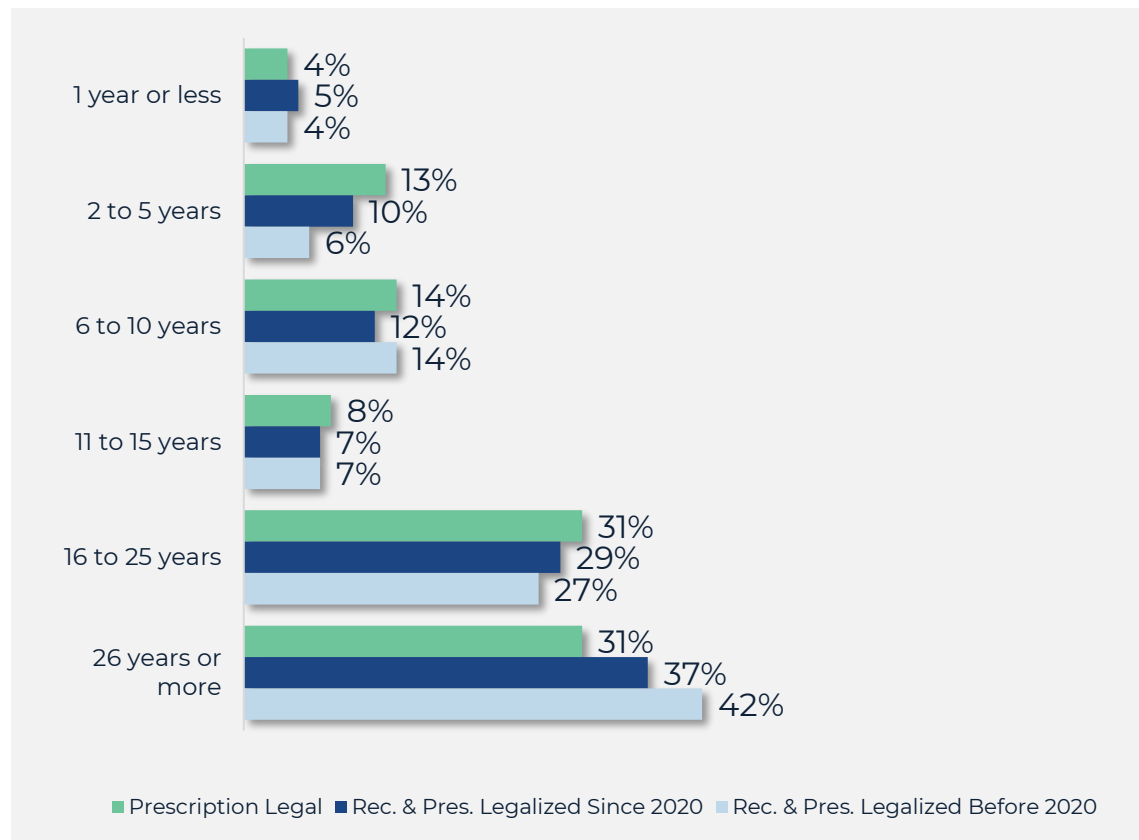


Actual increases in crime near dispensaries were less frequent than *perceived* increases in crime.

Nearly half of commercial members with any level of legal marijuana cited no *actual* change in crime.

Survey Respondent Demographics

Years Active as Real Estate Professional



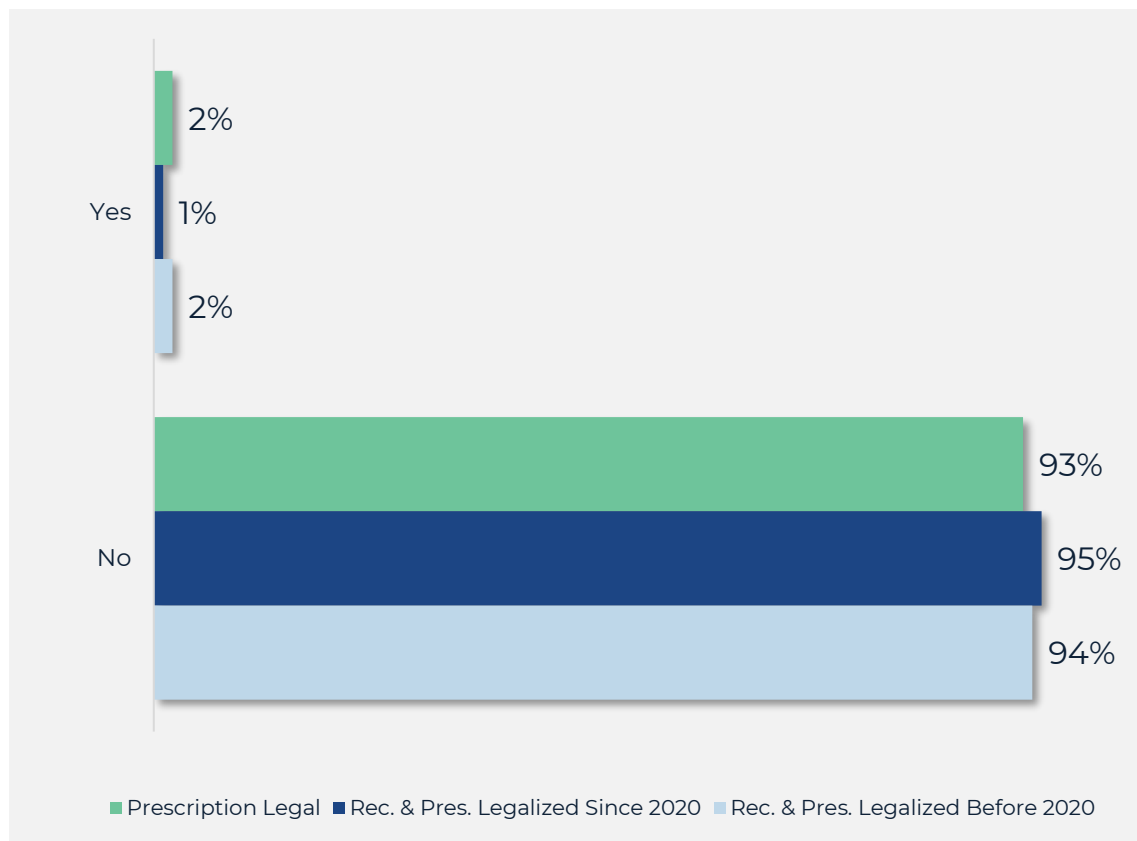
Medians

Prescription Legal: 20 years

Rec. & Pres. Legalized Since 2020: 21 years

Rec. & Pres. Legalized Before 2020: 23 years

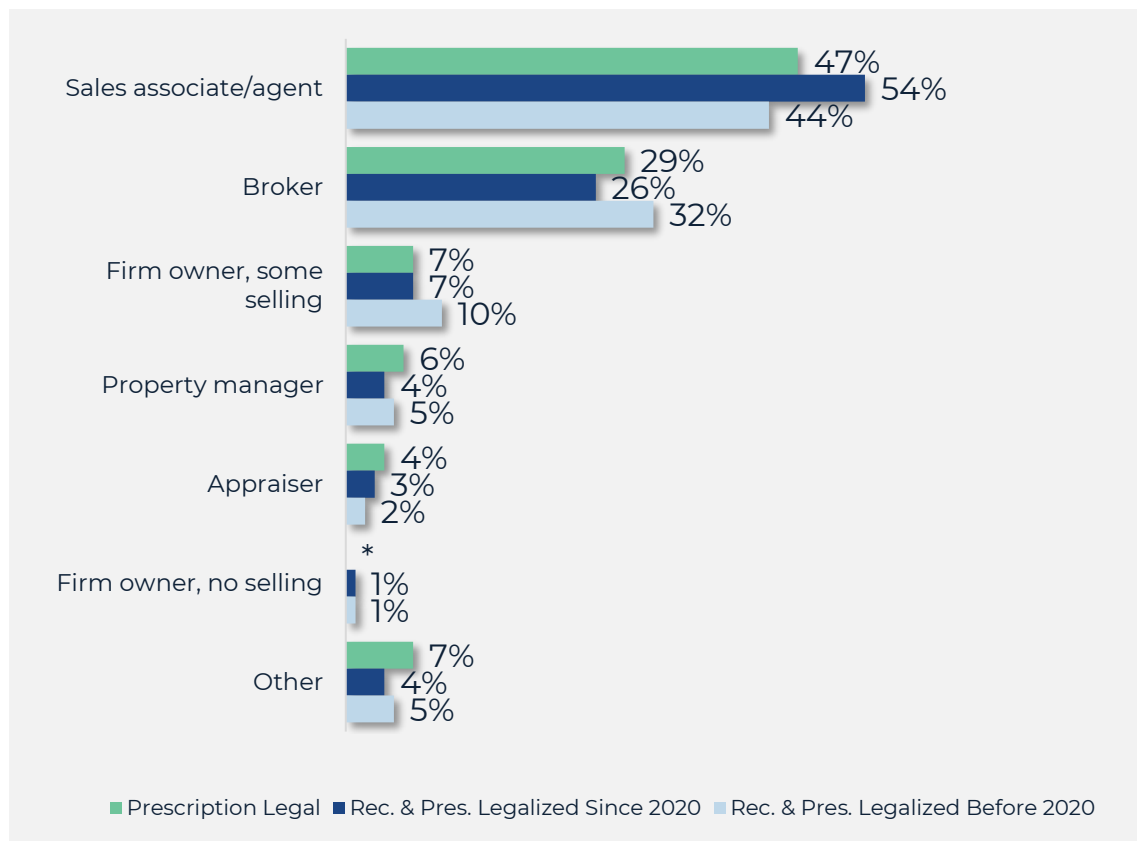
Works as Marijuana Specialist



Only one to two percent of respondents where recreational marijuana is legal identify as marijuana specialists.

This indicates an area of opportunity for growth in both specialization and business generation.

Main Function in Real Estate Industry



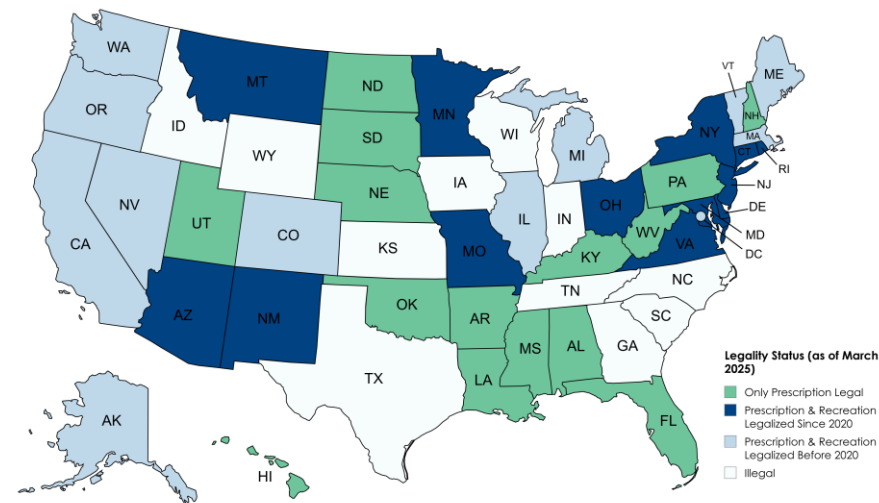
Respondents primarily work as sales associates/agents. Respondents in states where recreational marijuana has been legalized for more than five years are the most likely to be brokers.

* = less than 1%

Methodology

The 2025 Marijuana and Real Estate survey was sent through email in March 2025 to a random sample of 75,000 NAR members who practice residential real estate and 53,000 NAR members who practice commercial real estate. The survey received 2,550 responses for an overall response rate of 2.0 percent. The confidence interval at a 95 percent level of confidence is +/-1.9 percent. All information in this report is representative of NAR member characteristics in 2024.

The sample was divided by states that legalize medical marijuana only and states that legalize marijuana for both medical and recreational use. As of March 2025, 24 states and D.C. legalize both medical and recreational marijuana use (Alaska, Arizona, California, Colorado, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nevada, New Jersey, New Mexico, New York, Ohio, Oregon, Rhode Island, Vermont, Virginia, Washington, and Washington, D.C.). As of March 2025, 15 states legalize only medical marijuana use (Alabama, Arkansas, Florida, Hawaii, Kentucky, Louisiana, Mississippi, Nebraska, New Hampshire, North Dakota, Oklahoma, Pennsylvania, South Dakota, Utah, and West Virginia). There were 169 respondents from states that legalize only medical marijuana and 926 respondents from states that legalize marijuana for both medical and recreational use.





As America's largest trade association, the National Association of REALTORS® is involved in all aspects of residential and commercial real estate. The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics. For free consumer guides about navigating the homebuying and selling transaction processes – from written buyer agreements to negotiating compensation – visit facts.realtor.

NATIONAL ASSOCIATION OF REALTORS® RESEARCH GROUP

The Mission of the NATIONAL ASSOCIATION OF REALTORS® Research Group is to produce timely, data-driven market analysis and authoritative business intelligence to serve members, and inform consumers, policymakers and the media in a professional and accessible manner.

To find out about other products from NAR's Research Group, visit nar.realtor/research-and-statistics.

NATIONAL ASSOCIATION OF REALTORS®

Research Group
500 New Jersey Avenue, NW
Washington, DC 20001
202-383-1000
data@nar.realtor