Marijuana and Real Estate: A Budding Issue

February 2020

National Association of REALTORS® Research Group
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The legalization of marijuana has started 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 land, warehouses, and store fronts for marijuana. Residential practitioners are navigating an environment of marijuana being used within rental properties, homeowner associations creating rules about consumption and growth, and title questions 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 fall of 2019.
Residential Real Estate Trends

NAR surveyed its membership regarding their interaction with marijuana and the real estate sector in states where marijuana is legal. This report is a summary of the findings. Two percent of members were marijuana specialists in residential real estate. As marijuana intersects with real estate, the demand for both residential and commercial properties is a growing market. Currently, only two to five percent of residential respondents where marijuana is legal for medical or for medical and recreational use were aware of their MLS containing a specific marijuana field.

The highest share of respondents reported they currently have residential inventory available in their market. Between nine and 23 percent in states where marijuana is legal to some extent believe inventory was tight for multiple reasons, including all-cash purchases from the marijuana industry. The majority of members have not seen a change in residential property values near dispensaries. Between seven to 12 percent have seen an increase and eight to 27 percent have seen a decrease in residential property values near dispensaries.

The majority of respondents said homeowner associations have restrictions against smoking and growing in home or common areas. Two to four percent report homeowner associations did allow growing or smoking in home or common areas.

Selling a Grow House

Three-quarters of members in states with legal medical marijuana or recently legalized recreational marijuana had never tried selling a grow house, compared to six out of 10 in states that legalized longer ago. One-quarter of residential members in states that legalized recreational use more than three years ago had sold a grow house in the past, compared to four to 11 percent in the other states. Among residential members who have sold a grow house, 29 percent in states where medical marijuana is legal had a difficult time selling a grow house. Twenty-seven percent of members in recently legalized states had difficulty selling a grow house, compared to 25 percent of those in states legalized before 2016.

Among members who had sold a grow house, approximately two-thirds in states where medical and recreational marijuana are legal, and 77 percent in states where only medical marijuana is legal did disclose that the house was used as a grow house. Among those who sold a grow house in the past, over three-fourths in states where only medical marijuana is legal, and just under nine in 10 in states where both are legal, had no title issues selling the house.
Six percent of members who had sold a grow house in states where medical marijuana is legal and two to three percent where medical and prescription use is legal used a specialized company for the title. Eleven percent of members who had sold a grow house in states where medical marijuana is legal and three to four percent where medical and prescription use is legal were not able to find a title company for the sale.

**Property Management**

Half of members in states that legalized both medical and recreational marijuana prior to 2016 had seen addendums added to leases which restrict growing on properties, compared to one-quarter or less in states legalized for both medical and recreational use since 2016 and states where only medical is legal. In states where recreational marijuana is legal, 58 to 67 percent of members have seen addendums added to leases which restrict smoking on properties. Approximately half of members in states where medical and or recreational marijuana is legal had no issues leasing a property after the growth or use of marijuana in a property. The most common issue was the smell, which is more common where both were legalized more than three years ago.

When a tenant is allowed to either grow or smoke marijuana in their rental property, it was most common for the tenant to pay the utility costs. When tenants were allowed to grow marijuana in their rental units, five percent of those in states with legal medical marijuana said self-contained machine/boxes were required. This was also the case among nine to 12 percent of those in states where both medical and recreational marijuana is legal.

As marijuana is an all-cash business, earnings from those in the business were cash proceeds. Just under one-fifth of landlords were unwilling to take cash for rent. Forty-two percent of those in states where prescription marijuana is legal would take cash for rent, and 41 to 47 percent of those where marijuana is legal for both prescription and recreational use would take cash for rent.
Residential Real Estate

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

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Residential Inventory Due to All-Cash Purchases

- The highest share of respondents reported they currently had residential inventory available in their market.
- Nearly one-quarter of respondents in states where marijuana was legal the longest, believed inventory was tight for multiple reasons, including as a result of this industry.
- A small number of respondents in states where both medical and recreational marijuana are legal had seen tightened housing inventory entirely from all-cash purchases.

Residential Inventory Tightened Due to All-Cash Purchases from Marijuana Industry

- **NO, HAVE INVENTORY**
  - Only Prescription is Legal: 35%
  - Both Recreational & Prescription Legalized Since 2016: 43%
  - Both Recreational & Prescription Legalized Before 2016: 46%

- **NOT SURE**
  - Only Prescription is Legal: 37%
  - Both Recreational & Prescription Legalized Since 2016: 40%
  - Both Recreational & Prescription Legalized Before 2016: 35%

- **YES, TIGHTENED, BUT THIS IS JUST ONE ASPECT**
  - Only Prescription is Legal: 23%
  - Both Recreational & Prescription Legalized Since 2016: 10%
  - Both Recreational & Prescription Legalized Before 2016: 9%

- **YES, TIGHTENED, AND ENTIRELY DUE TO THIS**
  - Only Prescription is Legal: 1%
  - Both Recreational & Prescription Legalized Since 2016: 1%
  - Both Recreational & Prescription Legalized Before 2016: 0%

\(\text{NAR 2020 – Marijuana and Real Estate: A Budding Issue}\)
More than four-fifths of members in states where only prescription marijuana is legal had not seen a change in residential property values near dispensaries, as compared to 60 to 75 percent of those in states where both recreational and prescription marijuana are legal.

In states where marijuana was legal the longest, 27 percent had seen a decrease in residential property values near dispensaries and 12 percent had seen an increase.
The majority of respondents reported that homeowner associations often had rules and restrictions against smoking and growing in home or common areas.

In states where marijuana was legal before 2016, nine percent of respondents reported homeowner associations allow growing in the home, three percent reported they allow smoking in common areas, and a small number allow growing in exposed areas outside.

Common Answer to Other: Laws too new, HOAs have not adapted to law changes yet.

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Selling a Grow House
Approximately three-quarters of respondents in states with legal medical marijuana or recently legalized recreational marijuana had never tried selling a grow house, compared to six out of ten in states that legalized more than three years ago.

One-quarter of residential members in states that legalized recreational more than three years ago had sold a grow house in the past.
• Among residential members who had sold a grow house, 29 percent in states where medical marijuana is legal had a difficult time selling a grow house.

• One-quarter of members who sold a grown house in states where marijuana was legal the longest had a hard time selling the home.
Among members who had sold a grow house, approximately two-thirds in states where medical and recreational marijuana are legal, and more than three-fifths in states where only medical marijuana is legal did disclose that the house was used as a grow house.
Among those who sold a grow house in the past, over three-fourths in states where medical marijuana is legal, and just under nine in 10 in states where recreational marijuana is legal, had no title issues selling the house.

Six percent of members who had sold a grow house in states where medical marijuana is legal and two to three percent where medical and prescription use is legal used a specialized company for the title.

Eleven percent of members who had sold a grow house in states where medical marijuana is legal and three to four percent where medical and prescription use is legal were not able to find a title company for the sale.

Common Answer to Other: Some sellers do not disclose it is a grow house.
Residential Property Management Experience
Addendum or Provisions in Leases: Restricting Growing

- The majority of residential property managers in states with only legal medical marijuana or more recent recreational marijuana had not seen addendums added to leases which restrict growing on properties.
- Half of those in states that legalized both medical and recreational marijuana prior to 2016 had seen addendums added to leases which restrict growing on properties, compared to one-quarter or less in other states.

Addendum or Provisions Added to Leases Restricting Growing

- **No Addendums Added**: 73% (58% for both recreational & prescription legalized since 2016, 38% for other categories).
- **Addendums Added**: 50% (25% for both recreational & prescription legalized since 2016, 11% for other categories).
- **Other**: 5% (4% for both legalized since 2016, 2% otherwise).
- **Don’t Know**: 14% (10% for both legalized since 2016, 10% otherwise).

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Forty-nine percent of members in states where medical marijuana is legal and 35 to 49 percent of members in states where both medical and recreational marijuana is legal had no issues leasing a property after the growth of marijuana in a property.

The most common issue was the smell, followed by moisture issues. Both issues were more common in areas where only recreational marijuana has been legal for a longer period of time.
Addendum or Provisions in Leases: Restricting Smoking

- In states where recreational marijuana is legal, 58 to 67 percent of residential property managers have seen addendums added to leases which restrict smoking on properties.
- In states where only medical marijuana is legal, nearly half had not seen addendums added to leases which restrict smoking on properties.

Addendum or Provisions Added to Leases Restricting Smoking

Common Answer to Other: No smoking of any type allowed.
Difficulty Leasing Property After Smoking of Marijuana

- Fifty percent of members in states where medical marijuana is legal and 41 to 47 percent of members in states where both medical and recreational marijuana is legal had no issues leasing a property after the use of marijuana in a property.

- The most common issue was the smell, which one-quarter to one-third of these members had encountered. Moisture issues were more common in areas where recreational marijuana has been legal longer.

**Difficulty Leasing Property After Smoking of Marijuana**

- **Yes, Smell is Difficult to Remove**
  - 26%
  - 28%
  - 34%

- **Yes, Moisture Issues**
  - 3%
  - 4%
  - 7%

**Common Answer to Other:**
*No issues because no smoking of any type allowed.*

- **No Issues**
  - 50%
  - 47%
  - 41%
When a tenant was allowed to grow marijuana in their rental property, it was most common for the tenant to pay the utility costs.

Utility Costs When Tenant is Allowed to Grow

- **Tenant Pays Utilities**: 45% (58%)
- **Landlord Pays Utilities**: 0% (62%)
- **Don’t Know**: 24% (28%)

Legend:
- Only Prescription is Legal
- Both Recreational & Prescription Legalized Since 2016
- Both Recreational & Prescription Legalized Before 2016
When a tenant consistently smoked marijuana in their rental property, nearly nine out of ten tenants pay the utility costs.

Utility Costs When Tenant is Allowed to Grow

- **TENANT PAYS UTILITIES**: 87%
- **LANDLORD PAYS UTILITIES**: 3%
- **DON'T KNOW**: 5%
- **Other**: 6%

*Common Answer to Other: Some paid by tenant, some paid by landlord.*

**Legend**
- **Blue**: Only Prescription is Legal
- **Green**: Both Recreational & Prescription Legalized Since 2016
- **Gray**: Both Recreational & Prescription Legalized Before 2016
Tenant Growing: Self-Contained Growing Box/Machine

- When tenants were allowed to grow marijuana in their rental units, five percent of those in states with legal medical marijuana said self-contained machine/boxes were required. This was also the case among nine to 12 percent of those in states where both medical and recreational marijuana are legal.

**Self-Contained Growing Box/Machine When Tenant is Allowed to Grow**

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, self-contained machine/box required</td>
<td>5%</td>
</tr>
<tr>
<td>No box needed</td>
<td>9%</td>
</tr>
<tr>
<td>Don't know</td>
<td>12%</td>
</tr>
<tr>
<td>No box needed</td>
<td>75%</td>
</tr>
<tr>
<td>Don't know</td>
<td>73%</td>
</tr>
</tbody>
</table>

- When tenants were allowed to grow marijuana in their rental units, five percent of those in states with legal medical marijuana said self-contained machine/boxes were required. This was also the case among nine to 12 percent of those in states where both medical and recreational marijuana are legal.

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Just under one-fifth of landlords were unwilling to take cash for rent. Fifty-nine percent of those in states where prescription marijuana is legal, and more than half of those in states where recreational marijuana is legal, said at least some landlords would take cash for rent.
Landlords Willing to Take Cash from Marijuana Proceeds for Rent

As marijuana is an all-cash business, earnings from people in the business are cash proceeds. About one-fifth to one-quarter 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.

Forty-two percent of those in states where prescription marijuana is legal would take cash for rent, and 24 to 32 percent of those where marijuana is legal for both prescription and recreational use would take cash for rent.
Inventory and Demand

In states where prescription marijuana use is legal, 19 percent of commercial members had seen an increased demand in warehouses, 18 percent in storefronts, and 15 percent in land. In states where prescription and recreational marijuana use is legal, 34 to 42 percent of members had seen an increased demand in warehouses, 18 to 19 percent in storefronts, 16 to 21 percent in land.

Thirteen to 22 percent of members had seen an increase and five to 18 percent had seen a decrease in commercial property values near dispensaries. Nearly one-fifth of those in these states had seen an increase and four to 14 percent had seen a decrease in commercial property values near growing lands.

About one-fifth in states where only medical marijuana is legal noted some tenants do not want to be near a dispensary, compared to one-third of those where both medical and recreational were legalized in the past three years, and just under half in states where both were legalized more than three years ago.

Perception of Crime

In states where only prescription marijuana is legal, 47 percent of commercial members said there was no change in the perception of crime, while only nine percent reported an increase in the perception of crime. In comparison, in states where both prescription and recreational marijuana were legalized over three years ago, 30 percent of commercial members reported an increase in the perception of crime; nearly half where both were legalized more recently did not know the effect on perception of crime.

While the perception of crime seemed to increase, actual crime had only marginally risen in respondents’ opinions. In states where only prescription marijuana is legal, 40 percent of commercial members cited no change in crime and only two percent reported an increase. In comparison, in states where both prescription and recreational marijuana is legal, 35 to 40 percent of commercial members said there was no change in crime and nine to 17 percent reported an increase in crime.
Commercial Leasing

The majority of commercial members were not currently leasing to marijuana related businesses. Twelve percent of commercial members in states where prescription marijuana is legal were leasing to marijuana related businesses. In states where both recreational and prescription marijuana is legal, six percent were leasing to marijuana related businesses.

Nearly two-thirds of commercial members in states where medical marijuana is legal reported that no additional addendums were added to leases regarding the growing of marijuana, compared to approximately half of those where medical and recreational are legal. One-tenth of commercial members in medical marijuana states and 22 to 32 percent in medical and recreational marijuana states did have lease addendums.

Two-thirds of commercial members in states where medical marijuana is legal reported that no additional addendums were added to leases regarding the sale of marijuana, compared to approximately half of those where medical and recreational are legal. One-tenth of commercial members in medical marijuana states and 21 to 30 percent in medical and recreational marijuana states did have lease addendums.

The most frequently cited concern of commercial members was the smell when leasing to marijuana related businesses, followed by theft of cash on property, moisture issues, and fire hazards. About one-quarter of commercial landlords in states where only medical marijuana is legal were unwilling to take cash at all for rent, compared to 14 to 22 percent of commercial landlords in states where medical and recreational marijuana are legal. About one-tenth said that some landlords would take cash and would not ask where the cash comes from.
Commercial Inventory Changes

- States where medical and recreational marijuana have been legalized for more than three years have seen more increases in demand for commercial properties.
- In states where prescription marijuana use is legal, 19 percent of members had seen an increased demand in warehouses, 18 percent in storefronts, and 15 percent in land.
- In states where prescription and recreational marijuana use is legal, 34 to 42 percent of members had seen an increased demand in warehouses, 18 to 19 percent in storefronts, 16 to 21 percent in land.

### Commercial Inventory Changes

- **NO CHANGE IN DEMAND**
  - Only Prescription is Legal: 0%
  - Both Recreational & Prescription Legalized Since 2016: 34%
  - Both Recreational & Prescription Legalized Before 2016: 47%

- **DEMAND HAS INCREASED FOR WAREHOUSES**
  - Only Prescription is Legal: 19%
  - Both Recreational & Prescription Legalized Since 2016: 34%
  - Both Recreational & Prescription Legalized Before 2016: 42%

- **DEMAND HAS INCREASED FOR LAND**
  - Only Prescription is Legal: 15%
  - Both Recreational & Prescription Legalized Since 2016: 16%
  - Both Recreational & Prescription Legalized Before 2016: 21%

- **DEMAND HAS INCREASED FOR STOREFRONTS**
  - Only Prescription is Legal: 18%
  - Both Recreational & Prescription Legalized Since 2016: 19%
  - Both Recreational & Prescription Legalized Before 2016: 27%

- **DEMAND HAS DECREASED FOR STOREFRONTS**
  - Only Prescription is Legal: 2%
  - Both Recreational & Prescription Legalized Since 2016: 1%
  - Both Recreational & Prescription Legalized Before 2016: 0%

- **DEMAND HAS DECREASED FOR WAREHOUSES**
  - Only Prescription is Legal: 1%
  - Both Recreational & Prescription Legalized Since 2016: 1%
  - Both Recreational & Prescription Legalized Before 2016: 1%

- **DEMAND HAS DECREASED FOR LAND**
  - Only Prescription is Legal: 1%
  - Both Recreational & Prescription Legalized Since 2016: 1%
  - Both Recreational & Prescription Legalized Before 2016: 0%
• More than three-fourths of members in states where only medical marijuana is legal had not seen a change in commercial property values near dispensaries, compared to 61 to 67 percent of those in states where medical and recreational marijuana are legal.

• Thirteen to 22 percent of members had seen an increase and five to 18 percent had seen a decrease in commercial property values near dispensaries.
• Two-thirds or more of members in states where marijuana is legal to some extent had not seen a change in commercial property values near growing lands.

• Nearly one-fifth of members in these states had seen an increase and a smaller share had seen a decrease in commercial property values near growing lands.

Commercial Property Values Near Growing Land

- Only Prescription is Legal
- Both Recreational & Prescription Legalized Since 2016
- Both Recreational & Prescription Legalized Before 2016

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About one-fifth of commercial members in states where only medical marijuana is legal noted some tenants do not want to be near a dispensary, compared to one-third of those where both medical and recreational were legalized in the past three years, and just under half in states where both were legalized more than three years ago.

**Change in Who Will Lease Near a Dispensary**

- **Don’t Know**: 36% (53%) 48%
- **Some Tenants Do Not Want to Be Near a Dispensary**: 33% (45%)
- **No Change**: 25% (13%)
- **Demand to Be Near a Dispensary**: 1% (0%)
- **Other**: 4% (4%)

*Common Answer to Other: Too early to know.*

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NAR 2020 – Marijuana and Real Estate: A Budding Issue
Perception of Crime
Perception of Crime Changed Near Dispensaries

- In states where only prescription marijuana is legal, 47 percent of commercial members said there was no change in the perception of crime. Only nine percent cited an increase in the perception of crime.

- In comparison, in states where both prescription and recreational marijuana were legalized over three years ago, 30 percent of commercial members reported an increase in the perception of crime.

- Between 32 percent and 45 percent of those in states where both were legalized more recently did not know the effect on perception of crime.

**Perception of Crime Changed Near Dispensaries**

<table>
<thead>
<tr>
<th>Perception of Crime Changed Near Dispensaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>DON’T KNOW</td>
<td>40%</td>
</tr>
<tr>
<td>NO CHANGE IN CRIME</td>
<td>33%</td>
</tr>
<tr>
<td>INCREASE IN CRIME</td>
<td>17%</td>
</tr>
<tr>
<td>DECREASE IN CRIME</td>
<td>2%</td>
</tr>
<tr>
<td>OTHER</td>
<td>4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Only Prescription is Legal</th>
<th>Both Recreational &amp; Prescription Legalized Since 2016</th>
<th>Both Recreational &amp; Prescription Legalized Before 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>DON’T KNOW</td>
<td>45%</td>
<td>32%</td>
<td>40%</td>
</tr>
<tr>
<td>NO CHANGE IN CRIME</td>
<td>38%</td>
<td>33%</td>
<td>47%</td>
</tr>
<tr>
<td>INCREASE IN CRIME</td>
<td>30%</td>
<td>17%</td>
<td>9%</td>
</tr>
<tr>
<td>DECREASE IN CRIME</td>
<td>1%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>OTHER</td>
<td>3%</td>
<td>4%</td>
<td>0%</td>
</tr>
</tbody>
</table>

NAR 2020 – Marijuana and Real Estate: A Budding Issue
• In states where only prescription marijuana is legal, 40 percent of commercial members cited no actual change in crime and only two percent said there was an increase in crime.

• In comparison, in states where both prescription and recreational marijuana is legal the longest 17 percent reported an increase in crime.
Commercial Leasing
Leasing to Marijuana Related Businesses

- The majority of commercial members were not currently leasing to marijuana related businesses.
- Twelve percent of commercial members in states where prescription marijuana is legal were leasing to marijuana related businesses.
- In states where both recreational and prescription marijuana is legal, six percent were leasing to marijuana related businesses.

Common Answer to Other:
Willing to lease to marijuana businesses.
Lease Addendum or Provisions: Growing of Marijuana

- Nearly two-thirds of commercial members in states where medical marijuana is legal reported that no additional addendums were added to leases regarding the growing of marijuana, compared to 53 to 43 percent of those where medical and recreational are legal.
- Thirty-two percent of states where in medical and recreational marijuana was legal the longest did have lease addendums regarding growing of marijuana.

Addendum or Provisions Added to Leases Restricting Growing of Marijuana

- **NO ADDENDUMS ADDED**
  - 65% No Addendums
  - 53% Both Recreational & Prescription Legalized Since 2016
  - 44% Both Recreational & Prescription Legalized Before 2016
  - 10% Only Prescription is Legal
  - 5% Other
  - 3% Don't Know

- **ADDENDUMS ADDED**
  - 32% Both Recreational & Prescription Legalized Since 2016
  - 22% Both Recreational & Prescription Legalized Before 2016
  - 21% Only Prescription is Legal
  - 23% Don't Know

*NAR 2020 – Marijuana and Real Estate: A Budding Issue*
# Lease Addendum or Provisions: Sales of Marijuana

- Two-thirds of commercial members in states where medical marijuana is legal reported that no additional addendums were added to leases regarding the sale of marijuana, compared to approximately half of those where medical and recreational are legal.

- Thirty percent in states where medical and recreational marijuana was legal the longest did have lease addendums regarding sales of marijuana.

## Addendum or Provisions Added to Leases

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No addendums added</td>
<td>51%</td>
</tr>
<tr>
<td>Addendums added</td>
<td>46%</td>
</tr>
<tr>
<td>Other</td>
<td>30%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>21%</td>
</tr>
</tbody>
</table>

Legend:
- Only Prescription is Legal
- Both Recreational & Prescription Legalized Since 2016
- Both Recreational & Prescription Legalized Before 2016

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*NAR 2020 – Marijuana and Real Estate: A Budding Issue*
The most frequently cited concern of commercial members was the smell when leasing to marijuana related businesses, followed by theft of cash on property, moisture issues, and fire hazards.
Landlords Willing to Take Cash from Marijuana Proceeds for Rent

- Nearly one-third of commercial landlords in states where only medical marijuana is legal were willing to take cash at all for rent.
- About one-tenth will not take cash from an illegal federal activity for rent regardless of how marijuana is legal in the state.
- In states where marijuana has been legal the longest, more than half say landlords are willing to take cash for rent.

### Landlords Willing to Take Cash from Marijuana Proceeds for Rent

- **NO, MOST WILL NOT TAKE CASH AT ALL**
  - Only Prescription is Legal: 14%
  - Both Recreational & Prescription Legalized Since 2016: 22%
  - Both Recreational & Prescription Legalized Before 2016: 26%

- **NO, MOST WILL NOT TAKE CASH FROM ILLEGAL FEDERAL ACTIVITY**
  - Only Prescription is Legal: 10%
  - Both Recreational & Prescription Legalized Since 2016: 10%
  - Both Recreational & Prescription Legalized Before 2016: 8%

- **YES, SOME TAKE CASH**
  - Only Prescription is Legal: 9%
  - Both Recreational & Prescription Legalized Since 2016: 16%
  - Both Recreational & Prescription Legalized Before 2016: 26%

- **MOST LANDLORDS WILL TAKE CASH AND DON’T ASK WHERE CASH COMES FROM**
  - Only Prescription is Legal: 10%
  - Both Recreational & Prescription Legalized Since 2016: 11%
  - Both Recreational & Prescription Legalized Before 2016: 9%

- **YES, NEARLY ALL ARE**
  - Only Prescription is Legal: 10%
  - Both Recreational & Prescription Legalized Since 2016: 6%
  - Both Recreational & Prescription Legalized Before 2016: 18%
Methodology

The 2019 Marijuana and Real Estate survey was sent through email in September 2019 to a random sample of 76,000 NAR members who practice residential real estate and 76,000 NAR members who practice commercial real estate. The survey received 3,062 responses from residential members and 611 responses from commercial members for an overall response rate of 2.4 percent. The confidence interval at a 95 percent level of confidence is +/-1.6 percent. All information in this report is representative of NAR member characteristics in 2019.

The sample was divided by states who legalize medical marijuana only and states who legalize marijuana for both medical and recreational use. As of November 2019, 12 states and D.C. legalize both medical and recreational marijuana use (Alaska, California, Colorado, Guam, Illinois, Maine, Massachusetts, Michigan, Nevada, Oregon, Vermont, Washington, and Washington, D.C.). As of November 2019, 23 states legalize only medical marijuana use (Arizona, Arkansas, Connecticut, Delaware, Florida, Hawaii, Louisiana, Maryland, Minnesota, Missouri, Montana, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, Puerto Rico, Rhode Island, Utah, and West Virginia). There were 1,437 respondents from states who legalize only medical marijuana and 2,271 respondents from states who legalize marijuana for both medical and recreational use.
The National Association of REALTORS® is America’s largest trade association, representing more than 1.4 million members, including NAR’s institutes, societies and councils, involved in all aspects of the real estate industry. NAR membership includes brokers, salespeople, property managers, appraisers, counselors and others engaged in both 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.

Working for America’s property owners, the National Association provides a facility for professional development, research and exchange of information among its members and to the public and government for the purpose of preserving the free enterprise system and the right to own real property.

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.

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