

Rainbow Realty Group, LLC, to Help Cannabis Companies Secure Finance Amid Investment Scarcity

NEW YORK CITY, NEW YORK, UNITED STATES, October 10, 2022

/EINPresswire.com/ -- The company provides solutions to the financing needs of cannabis companies created by the limited financing options caused by the federal illegality of cannabis products in the country.



Rainbow Realty Group, LLC, a real estate financier that works with tenants and borrowers involved in the cannabis industry, has announced plans to help cannabis companies by providing capital financing options. The company underwrites traditional real estate values for retail, industrial, and agricultural properties, and purchases or mortgages real property depending on the need of the proprietor.

Rainbow, one of the few cannabis lending in New York, aims to provide solutions to bridge the financial gap for cannabis companies operating in the country. The federal illegality of cannabis use in the United States has made it extremely challenging for cannabis companies to obtain traditional means of financing. As it stands, 37 states have legalized the use of medical cannabis, out of which 19 states allow recreational or adult use of cannabis. As more states legalize medical cannabis, or abrogate their prohibition on recreational use, the demand for capital to finance new businesses, or expand existing ones increase. This is the need that Rainbow aims to fill with its <https://rainbowrg.com/cannabis> real estate services.

Rainbow has built a proven process for providing capital to cannabis companies in a time where investment in the industry has been scarce. This has allowed the [cannabis real estate lender](#) to provide capital that is tied to the real estate property of the proprietor. The company offers two financing options: sale-leasebacks and mortgage, for cannabis proprietors who own real estate or have a path to real estate ownership

Sale-leaseback financing allows cannabis proprietors to utilize cash invested in their property without incurring debt. The lease term of the property can range from 10 - 15 years, with

multiple 5 to 10 year extension options. It has 8% -11% capitalization rates based on purchase price.

Mortgages allow proprietors to retain ownership interest of their property or finance a purchase option in their lease. The mortgages have interest rates ranging from 9% - 12% and require no amortization. Terms range from 2 - 4 years with provisions for extension and prepayment options.

Speaking about the nature of their financial service, the company's chairman Fredric H. Gould said, "Rainbow's management team has 10 years of cannabis experience and 60 years of real estate experience. We have developed a niche, working with cannabis companies, while underwriting the real estate collateral that we know best. We strongly encourage interested investors and operators in need of financing to contact us."

[About Rainbow Realty Group, LLC](#): Rainbow Realty Group, LLC is a real estate investment firm involved with companies in the US cannabis industry. The Company's target assets include licensed retail dispensaries and industrial cultivation facilities in the United States.

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