

Rainbow Realty Group, LLC, to Help Cannabis Companies With Alternative Sources of Financing

The company underwrites real estate collateral to provide proprietors capital they need to grow and expand their cannabis business

NEW YORK CITY, NEW YORK, UNITED ESTATE, November 23, 2022 /EINPresswire.com/ -- Rainbow Realty Group, LLC, a real estate financier that works with tenants and borrowers in



the cannabis industry, has recently announced plans to provide a solution to the limited availability of traditional financing options for cannabis businesses, by underwriting their real estate property as collateral for loans. The company underwrites non-cannabis or "traditional" real estate values for retail, industrial and agricultural properties, and can purchase or mortgage real property, depending on the proprietor's needs.

Rainbow is one of only a few <u>cannabis commercial real estate financing</u> companies created to bridge the financial gap for cannabis companies in the United States. Due to the federal illegality, it is extremely difficult for cannabis companies to obtain traditional means of financing.

Currently, 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 market opportunity that Rainbow aims to fill with its cannabis real estate services.

Rainbow has built a proven process for providing capital to businesses operating in the industrial cannabis marketplace of New York. The cannabis funding company in the USA provides capital to cannabis businesses that are tied to the real estate property, and it offers two financing options to cannabis proprietors who own real estate or have a path to real estate ownership: sale-leasebacks and mortgage.

Their 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 11% -13% capitalization rates based on purchase price.

Their 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 12% - 15% and require no amortization. Terms range from 2 - 4 years with provisions for extension and prepayment options.

About Rainbow Realty Group, LLC: Rainbow Realty Group, LLC is a real estate investment firm involved with businesses operating 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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