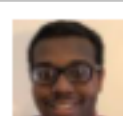


Cannabis companies want Manhattan retail space, broker says



Colby Piper leads RIPCO's cannabis division which he launched in late 2019.

RIPCO REAL ESTATE



By [Leonard A. Robinson](#) – Staff Reporter, New York Business Journal
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Cannabis companies are acquiring New York City real estate in an effort to boost their chances of obtaining distribution licenses, according to RIPCO's [Colby Piper](#).

Piper, who leads the brokerage's cannabis division, told the New York Business Journal that eight cannabis companies have hired RIPCO to help them find space in the five boroughs.

"Our clients are searching for space in all five boroughs with an emphasis on retail space in Manhattan," Piper said. "They're hedging their bets based off of the licensure requirements that they've seen in other states with large urban centers."

New York is preparing to issue an undisclosed number of distribution licenses with some slated for "social equity" applicants such as minority-owned companies or those below a certain income threshold.

Canna Advisors CEO [Jay Czarkowski](#), who has helped cannabis companies obtain licenses in Connecticut and New Jersey, argues that this real estate strategy comes with a substantial amount of risk.

"It's an enormous risk because real estate takes up so much capital before you're guaranteed to actually be able to sell your products," Czarkowski said.

Half of these clients, Piper says, are operating in other states while the other half are expanding to other states in addition to New York.

Tenants are searching for 2,000- to 5,000-square-foot spaces in high foot-traffic locations within retail corridors. Some possible tenants, Czarkowski said, could possibly operate on even less space especially if they're in the right location.

The Lower East Side has emerged as an attractive location for many of his clients, Piper says. They are often attracted to neighboring high-end boutique stores and the neighborhood's demographics, which skews towards residents under the age of 30.

The Lower East Side also allows for potential tenants to easily meet a possible requirement that storefronts be at least 500 feet away from a house of worship or school.

"Our clients take this strongly into consideration when looking for spaces," Piper said. "We've seen this requirement in numerous other jurisdictions with those that are less dense saying up to 1,000 feet away from churches and schools."

No leases have been signed yet. Piper says landlords are seriously considering their offers, but some still have hesitation.

"Our clients are looking for Class A retail space, and that's a tight market in Manhattan even though retail vacancy overall still remains higher than before the pandemic," Piper said.

Tenants, he says, have two options: either search for off-market deals, of which there are few, or simply offer more money upfront to make it competitive for the landlord.

Piper, who launched the brokerage's cannabis division in 2019, sees endless possibilities within the cannabis industry in New York.

"RIPCO has an enormous competitive advantage because much of our established, publicly traded competition is unable to fully enter this market," he said. "Not only does this provide us a competitive advantage, this allows us to have a social impact by ensuring that we can make this industry as fair and equitable as possible."

Further, he adds, it is an opportunity to continue the legacy of innovation within the cannabis space which began with his father, Dr. Craig Piper, who was among New Jersey's first doctors to prescribe medicinal cannabis.

"It's an opportunity to truly make an impact while also helping marginalized communities build generational wealth at the same time," he said.