



Your Guide to Green

Finding Your Long Island Dispensary Location



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Jones Hollow Realty Group Inc.

Your Partner in Long Island's Cannabis Real Estate Boom

The Cannabis Market in New York: A New Frontier

New York's adult-use cannabis market ignited on March 31, 2021, with the Marijuana Regulation and Taxation Act (MRTA), legalizing recreational use for adults 21+ and creating a regulated industry under the Office of Cannabis Management (OCM). The MRTA handed townships a choice: opt in to allow retail dispensaries and on-site consumption lounges or opt out by passing a local law before December 31, 2021. Towns that didn't act were automatically opted in, while those opting out—like Islip—could later reverse course. This local control has shaped a patchwork market on Long Island, where only about 10% of 111 jurisdictions in Nassau and Suffolk Counties currently permit retail cannabis. (Note: Islip, after opting out in 2021, is set to revisit this with a public hearing on April 8, 2025—stay tuned!)

The state kicked off licensing with a focus on equity, issuing Conditional Adult-Use Retail Dispensary (CAURD) licenses in August 2022 to “justice-involved” individuals—those with prior cannabis convictions or affected family members—to right past wrongs. Now, as general Adult-Use Retail Dispensary (AURD) licenses roll out, investors are racing to secure compliant properties in this billion-dollar industry. Jones Hollow Realty Group is here to navigate Long Island's complex zoning and connect you to prime opportunities.

Why Long Island?

Long Island's proximity to NYC, affluent demographics, and growing demand make it a cannabis hotspot. With many townships opting out and those opting in enforcing strict rules, finding the right location is key. We specialize in matching investors with properties that meet local and OCM standards, ensuring your dispensary thrives.





Investing in Green

Why Long Island Dispensaries Are a Smart Bet



Financial Potential and Local Estimates

Investing in a dispensary on Long Island offers significant financial rewards, driven by high demand and affluent demographics. Successful dispensaries, like Strain Stars in Farmingdale (Town of Babylon), report serving 200-300 customers daily, with an average transaction of \$50, leading to daily revenues of \$10,000 to \$15,000. Annually, this translates to gross sales of \$3.6 million to \$5.4 million, far exceeding national averages for retail businesses. The detailed calculation is as follows:

- Daily revenue: 250 customers (midpoint) × \$50 = \$12,500
- Annual revenue: \$12,500 × 365 days = \$4,562,500

This estimate aligns with industry benchmarks for successful CAURD licensees, which often report annual gross revenues between \$2 million and \$5 million, adjusted for Long Island's high demand. Given the region's median household incomes (e.g., Babylon at \$103,000, Brookhaven at \$96,000), customers are likely to spend more per visit, potentially increasing transaction sizes to \$60-\$70 in affluent areas, further boosting earnings. The proximity to New York City and a growing acceptance of cannabis fuel this potential, making early entry highly profitable.

Customer Traffic and Market Dynamics

Customer traffic is a key driver of dispensary success on Long Island. Strain Stars' opening day saw over 500 customers, indicating strong initial demand, while daily averages of 200-300 suggest sustained interest. With Long Island's population of approximately 2.9 million (1.3M in Nassau, 1.6M in Suffolk), and only 5-6 dispensaries currently operating in opted-in Suffolk townships (Babylon, Brookhaven, Riverhead, Southampton), the market is underserved. This low competition, combined with proximity to NYC's 8.3 million residents, ensures high foot traffic. Speculatively, as more towns consider opting in (e.g., Islip with a hearing on April 8, 2025), customer numbers could increase, with each new dispensary potentially serving 150-250 daily customers, depending on location and size. Given Long Island's affluent population and high customer traffic, dispensaries can expect robust earnings, especially in underserved areas.

Tax Incentives and Local Revenue

Towns benefit from dispensaries through tax revenues, receiving 10% of the state's excise tax (9% on sales). For a dispensary grossing \$4.6 million annually, the excise tax is \$414,000, and the local government receives 10% of this, or \$41,400 per year. This financial incentive encourages local support, reducing regulatory resistance for investors. New York State's tax structure allocates revenue as follows: 40% to the state's general fund, 40% to the Community Reinvestment Fund, 10% to local governments where dispensaries are located, and 10% to the Drug Treatment and Public Health Fund, per the MRTA. An unexpected detail is the significant impact on local town revenues, with each dispensary contributing \$41,400 annually in tax revenue. This figure incentivizes towns to reconsider opt-out decisions, as seen with Islip's upcoming hearing, potentially accelerating opt-ins and expanding opportunities for investors.

Market Growth Projections and Speculations

New York's legal cannabis market is projected to reach \$2.7 billion by 2027, with a compound annual growth rate (CAGR) of 16.9% from 2024 to 2030, ensuring long-term stability for investors in this expanding market. For Long Island, this growth is fueled by increasing legalization acceptance and high disposable incomes, with median household incomes ranging from \$75,000 in Riverhead to \$128,000 in Smithtown. Speculatively, as more consumers shift from illicit markets (over 2,000 illegal shops statewide) to legal dispensaries, customer numbers could double in opted-in areas, potentially increasing gross revenues to \$6 million-\$8 million for well-located stores. As more towns like Islip consider opting in, competition may rise, but early movers can capture significant market share, leveraging Jones Hollow Realty Group's expertise to secure prime locations.

Investment Strategy

Investing in a dispensary on Long Island offers robust financial returns, with gross revenues potentially reaching \$5.4 million annually, serving 200-300 daily customers at \$50 per transaction, and towns receiving \$41,400 per year in tax revenue. The market's projected growth to \$2.7 billion by 2027 ensures long-term stability, making it an attractive option for early entrants. Jones Hollow Realty Group can guide investors to prime locations, leveraging this data to maximize ROI.





Navigating Long Island's Cannabis Landscape

Township Breakdown & Opportunities

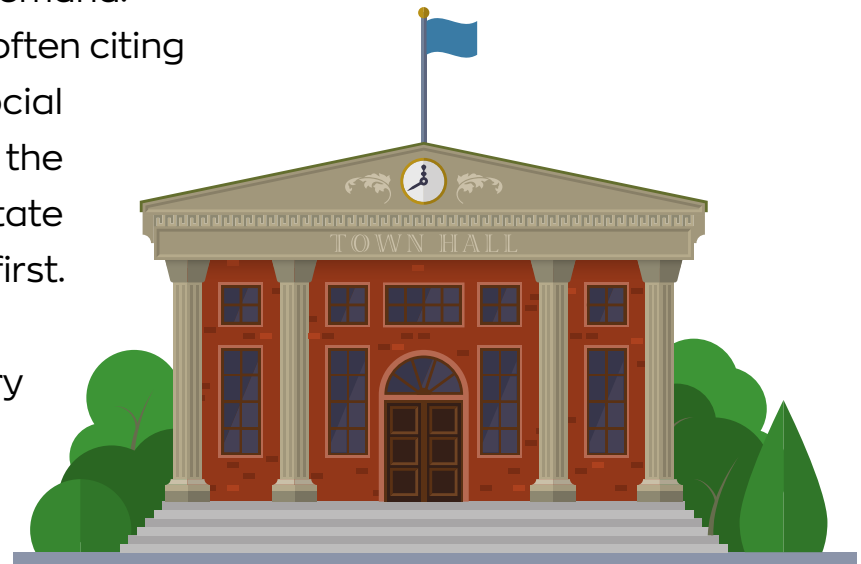


The Opt-In/Opt-Out Divide: What Drives the Decision?

When New York legalized recreational cannabis in 2021, Long Island townships faced a pivotal choice: opt in to allow retail dispensaries or opt out by the December 31 deadline. The decision often hinged on a balance of economic opportunity and community values. Townships that opted in saw cannabis retail as a chance to boost local revenue—potentially millions annually—through taxes and job creation, especially in areas with strong commercial or tourism appeal. They embraced the chance to regulate a growing market, ensuring safety and control while capitalizing on proximity to urban demand.

Conversely, those that opted out prioritized caution, often citing concerns over public health, youth access, and the social stigma still tied to cannabis. Many felt unprepared for the regulatory challenges, preferring to wait for clearer state guidelines or to assess impacts in neighboring areas first. Community sentiment played a key role, with some townships facing vocal opposition from residents wary of dispensaries in their backyards. This divide reflects Long Island's diverse priorities, shaping a complex landscape for cannabis investors to navigate.

Township	Population	Median Age	Median Income	Opt-Out Status
Babylon	~218,000	41	\$103,000	Opted In
Brookhaven	~485,000	40	\$96,000	Opted In
East Hampton	~22,000	48	\$105,000	Opted Out
Huntington	~204,000	45	\$126,000	Opted Out
Islip	~335,000	41	\$98,000	Opted Out
Riverhead	~35,000	46	\$75,000	Opted In
Shelter Island	~2,400	55	\$95,000	Opted Out
Smithtown	~116,000	46	\$128,000	Opted Out
Southampton	~58,000	47	\$107,000	Opted In
Southold	~23,000	52	\$85,000	Opted Out



Township Breakdown: Cannabis Zoning & Demographics

Nassau County

Town of Hempstead

- Micro Summary: Nassau's largest township blends suburban density with commercial hubs, but opted out of cannabis retail.
- Demographics: Population ~793,000; Median Age ~43; Median Household Income ~\$111,000; 50% White, 22% Hispanic, 17% Black.
- Zoning Status: Opted out—no retail dispensaries permitted.

Town of North Hempstead

- Micro Summary: A mix of affluent suburbs and urban pockets, North Hempstead also declined cannabis retail.
- Demographics: Population ~238,000; Median Age ~44; Median Household Income ~\$125,000; 65% White, 15% Asian, 10% Hispanic.
- Zoning Status: Opted out—no retail dispensaries permitted.

Town of Oyster Bay

- Micro Summary: Spanning northern Nassau, Oyster Bay offers rural and suburban areas but rejected cannabis retail.
- Demographics: Population ~301,000; Median Age ~45; Median Household Income ~\$132,000; 75% White, 12% Asian, 8% Hispanic.
- Zoning Status: Opted out—no retail dispensaries permitted.

Township Breakdown: Cannabis Zoning & Demographics

Suffolk County

Town of Babylon

- Micro Summary: A diverse western Suffolk hub with urban-suburban appeal and highway access, Babylon opted in early.
- Demographics: Population ~218,000; Median Age ~41; Median Household Income ~\$103,000; 51% White, 19% Hispanic, 17% Black.
- Zoning Requirements:
 - Zoned Commercial (C) or Light Industrial (LI).
 - Minimum 500 ft from schools or houses of worship.
 - Minimum 1,000 ft from residential zones or other dispensaries.
 - At least 10 parking spaces required.

Town of Brookhaven

- Micro Summary: Suffolk's largest township, Brookhaven offers vast commercial zones and a growing population.
- Demographics: Population ~485,000; Median Age ~40; Median Household Income ~\$96,000; 71% White, 15% Hispanic, 7% Black.
- Zoning Requirements:
 - Permitted in Commercial (J-2) or Light Industrial (L-1) zones.
 - Minimum 500 ft from schools, daycares, or parks.
 - Minimum 200 ft from houses of worship.
 - Minimum 1,000 ft from other dispensaries.



Township Breakdown: Cannabis Zoning & Demographics

Suffolk County Continued

Town of East Hampton

- Micro Summary: An eastern Suffolk enclave with a luxury tourism draw, East Hampton permits cannabis retail.
- Demographics: Population ~22,000 (swells in summer); Median Age ~48; Median Household Income ~\$105,000; 85% White, 10% Hispanic.
- Zoning Requirements:
 - Restricted to Business (B) districts.
 - Minimum 1,000 ft from schools or playgrounds.
 - Minimum 300 ft from religious sites.
 - No locations within 1,500 ft of another dispensary.

Town of Huntington

- Micro Summary: Known for vibrant downtowns and wealth, Huntington balances accessibility with upscale appeal.
- Demographics: Population ~204,000; Median Age ~45; Median Household Income ~\$126,000; 78% White, 10% Hispanic, 4% Black.
- Zoning Requirements:
 - Zoned Commercial (C-6) or Mixed-Use (MU).
 - Minimum 500 ft from schools or religious institutions.
 - Minimum 1,000 ft from other cannabis retailers.
 - Discreet signage, town board approval required.

Township Breakdown: Cannabis Zoning & Demographics

Suffolk County Continued

Town of Islip

- Zoning Status: Opted out—no retail dispensaries permitted (reconsideration hearing April 8, 2025).

Town of Riverhead

- Micro Summary: Suffolk's county seat and North Fork gateway, Riverhead welcomes cannabis retail.
- Demographics: Population ~35,000; Median Age ~46; Median Household Income ~\$75,000; 70% White, 15% Hispanic, 10% Black.
- Zoning Requirements:
 - Permitted in Business (B-1) or Industrial (I) zones.
 - Minimum 500 ft from schools or residential areas.
 - Minimum 200 ft from houses of worship.
 - Minimum 1,000 ft from other dispensaries.

Town of Shelter Island

- Zoning Status: Opted out—no retail dispensaries permitted.

Town of Smithtown

- Zoning Status: Opted out—no retail dispensaries permitted.

Township Breakdown: Cannabis Zoning & Demographics

Suffolk County Continued

Town of Southampton

- Micro Summary: An upscale Suffolk gem, Southampton's tourism and seasonal influx suit premium dispensaries.
- Demographics: Population ~58,000 (swells in summer); Median Age ~47; Median Household Income ~\$107,000; 83% White, 10% Hispanic, 3% Black.
- Zoning Requirements:
 - Restricted to Village Business (VB) districts.
 - Minimum 1,000 ft from schools, libraries, or playgrounds.
 - Minimum 300 ft from religious sites.
 - No locations within 2,000 ft of another dispensary.

Town of Southold

- Micro Summary: North Fork's rural charm and winery region, Southold allows cannabis retail.
- Demographics: Population ~23,000; Median Age ~52; Median Household Income ~\$85,000; 88% White, 8% Hispanic.
- Zoning Requirements:
 - Permitted in Hamlet Business (HB) or General Business (GB) zones.
 - Minimum 500 ft from schools or parks.
 - Minimum 200 ft from houses of worship.
 - Minimum 1,000 ft from other dispensaries.

Market Saturation & Opportunities

- **Long Island's cannabis dispensary market remains far from saturated, offering significant opportunities for new investors.**
- **In Nassau County, all three townships have opted out, meaning:**
 - No dispensaries exist.
 - Opportunities are limited unless policies change.
- **In Suffolk County, only four townships—Babylon, Brookhaven, Riverhead, and Southampton—allow retail dispensaries:**
 - They host an estimated 5-6 dispensaries for a combined population of ~796,000, or roughly 1 per 132,000-159,000 people.
 - This is well below New York's statewide average of 1 per 71,000, indicating an underserved market.
 - Watch out: Islip could be opting in soon, with a public hearing scheduled for April 8, 2025, potentially expanding opportunities in Suffolk County.
- **Current dispensary breakdown:**
 - Babylon: 2 dispensaries (likely 1,000-2,000 sq ft each).
 - Brookhaven: 1-2 dispensaries.
 - Riverhead: 1 dispensary.
 - Southampton: 1 dispensary (tribal).
- **Opportunities for new dispensaries:**
 - Brookhaven (pop. 485,000) is the least saturated and could support 2-3 more dispensaries, especially in commercial hubs like Patchogue or Medford, where larger stores (2,500-3,500 sq ft) could thrive.
 - Babylon and Southampton each have room for 1 more.
 - Riverhead, with 1 for 35,000 people, could add 1 smaller location.
 - If Islip opts in after its April 8, 2025, hearing, its 335,000 residents could support 2-3 new dispensaries, making it a key area to watch.



Conclusion

Seize the Green Opportunity on Long Island



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Long Island's cannabis dispensary market offers a compelling investment opportunity, with significant financial and strategic advantages for early entrants. Here's why now is the time to act:

- **Lucrative Market Potential:** Research suggests Long Island's cannabis dispensary market is lucrative, with high gross revenues and customer traffic driving profitability.
- **High Revenue Projections:** It seems likely dispensaries can gross \$3.6M to \$5.4M annually, serving 200-300 customers daily at \$50 per transaction, far exceeding typical retail benchmarks.
- **Strong Market Growth:** The evidence leans toward robust growth, with New York's legal cannabis market projected to reach \$2.7B by 2027, benefiting early investors who establish a foothold now.
- **Local Incentives:** An unexpected detail is towns receiving \$41,400 annually per dispensary in tax revenue, incentivizing local support and potentially accelerating opt-ins in areas like Islip.
- **Strategic Advantage with Jones Hollow:** With low saturation and high demand, particularly in townships like Brookhaven, partnering with Jones Hollow Realty Group ensures you secure prime locations to maximize your ROI in this expanding market.



About Jones Hollow Realty Group Inc.

Raising the Bar In Commercial Real Estate Service and Business Brokerage



In today's dynamic real estate market, selling your business or commercial property requires expertise, innovative strategies, enthusiasm, and the resources to promote your asset effectively. At Jones Hollow Realty Group, we provide a comprehensive and tailored approach when you list with us. Selling can be challenging, but with numerous properties and businesses successfully sold weekly across Long Island, success is within reach. Our proven sales methods, targeted marketing, and extensive professional network ensure no detail is overlooked. We use cutting-edge technology and creative solutions to boost your property's visibility and appeal, empowering you with the insights needed to choose the right agent.

When we say "raising the bar in real estate service," we mean it! Your priorities guide our actions as we navigate every step of the sale with meticulous care. With a strong track record, a skilled team, and years of experience in business brokerage and commercial real estate, Jones Hollow Realty Group has the tools to market and sell your property effectively. If you're committed to selling, we're dedicated to delivering results, ensuring a successful transaction tailored to your needs.

