

FOR SALE

9590 McCarthy Road, Kelowna, B.C.

INVESTMENT GRADE PREMIER CANNABIS PRODUCTION FACILITY

85,297 SF FREESTANDING INDUSTRIAL BUILDING IN KELOWNA



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Marcus & Millichap

OPPORTUNITY

Introducing a rare opportunity to acquire a purpose-built cannabis production facility with institutional-grade infrastructure and a 20-year lease in place.

Positioned to deliver stable, long-term returns, this 85,297 SF investment-grade asset sits on a 1.95-acre site in North Kelowna's Beaver Lake Road Industrial Park. With an estimated \$40 million replacement value and a strong tenant covenant, the property offers both predictable income and strategic long-term upside.

Originally owned and licensed by the current landlord, the facility was substantially upgraded by the tenant and LP holder - FLWR Cannabis/Avant Cannabis - who invested heavily in state-of-the-art cannabis end-to-end production infrastructure and one-of-a-kind custom facility.

Those familiar with the cannabis industry will recognize the specialized infrastructure and long-term value of securing a fully built-out, license-ready facility, providing confidence over future operational capacity or potential for leasing to subsequent operators. At the same time, institutional investors will see the benefit from stable income secured by a 20-year lease, strong tenant covenant, and high-quality infrastructure, creating a rare chance to acquire a fully improved asset in a market with rising replacement costs and limited supply.

Strategically located with seamless access to Highway 97, the site offers excellent connectivity to Kelowna Airport, Vancouver's Lower Mainland, US border crossings and supports efficient distribution across Western Canada. This is a turnkey investment opportunity in one of British Columbia's fastest-growing industrial markets.

Whether acquired as a premium cash-flowing investment or as a long-term strategic hold for industry expansion, this is a rare opportunity to control one of the most advanced cannabis production assets in Canada.



PROPERTY HIGHLIGHTS



85,297 SF Purpose-Built Cannabis Facility

Freestanding industrial building on a 1.95-acre site, fully customized for cannabis production with significant tenant-funded improvements and upgrades, including power of 1,600 amps.



Secure Long-Term Income

20-year lease in place with a publicly traded company and established licensed producer (Avant Brands Inc - TSX:AVNT), offering stable cash flow backed by strong covenant strength.



Strategic Below-Replacement-Cost Offering

Estimated near \$40 million replacement value, offering acquisition at a significant discount to construction cost.



Fully Operational, License-Ready Infrastructure

Strategic value for industry groups and investors alike, recognizing the value of a license-ready, high-tech facility.

OPPORTUNITY

Civic Address: 9590 McCarthy, Kelowna, B.C.

Legal Description: LOT A, PLAN KAP69077, SECTION 10 & 11, TOWNSHIP 20, OSOYOOS DIV OF YALE LAND DISTRICT

PID: 025-047-426

Lot Size: 1.95 Acres (84,942 SF)

Zoning: I2 – General Industrial

BC Assessment Value (2025): \$25,796,000

Income & Cap Rate: Contact Listing Agents

Price: \$13,500,000



STRATEGIC INVESTMENT PROFILE

Established Tenant with Strong Operational Experience and Institutional Backing

The tenant is a licensed cannabis operator with a flawless multi-year track record of on time lease payments and consistent operations. Their acquisition in March 2024 by Avant Brands – a TSX-listed cannabis leader – brings added financial strength and debt capacity to the tenants covenant. Avant recently reported 2025 annual net revenue of \$35.8M (+36%, FY24 \$26.3M), adjusted EBITDA of \$9.6M (+125%, FY24 \$4.4M), operational performance which is only further to a strong balance sheet which reports net assets of \$32.9M. Avant's recent financial performance, operational track record, and future corporate outlook, underscore the tenants enhanced credit profile and commitment to honor lease obligations long-term.

Long-Term Lease in Place

A long-term building lease with over 20 years remaining offers stable, predictable cash flow and long-term tenancy with minimal management intensity. Escalations and net structure can be disclosed upon request.

Strong Covenant and Sustainable Rents

The tenant has demonstrated operational reliability, and the current rental rate reflects sustainable occupancy costs for a licensed producer. Rents are considered in line with, or below, comparable cannabis-specific facilities—reducing lease strain and vacancy risk.

Strategic Rent Positioning vs Market

While long-term forecasts predict industrial lease rates in Kelowna to continue to rise, cannabis production facilities remain a niche segment. While cannabis production tenants are not plentiful in the current market, the lease has been structured to offer downside protection to owners in the event of tenant turnover, particularly given the significant infrastructure in place.

Purpose-Built and License-Ready Infrastructure

The building is fully retrofitted for cannabis production, with high-capacity HVAC, electrical, and mechanical systems in place, all with advanced bespoke design and installation. There is opportunity to leverage these upgrades from other cannabis operators and could support alternative uses such as biotech, nutraceutical, or food-grade processing with strategic adaptation.

Multiple Exits with Alternate High-Intensity Use Compatibility

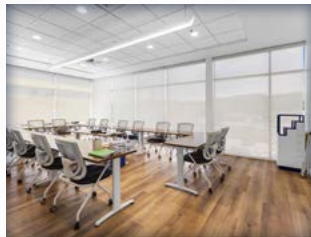
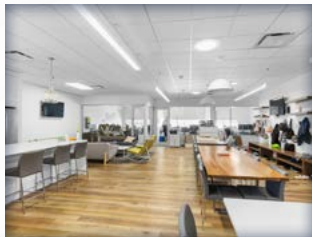
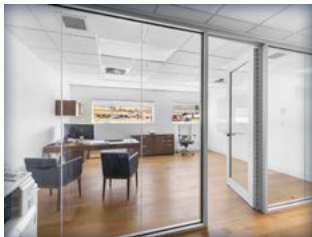
Given the building's enhanced power capacity and infrastructure, it may suit other power-intensive users such as controlled-environment agriculture (CEA), food production, light manufacturing, cold storage conversion, digital currency mining, or a data center, offering flexible long-term exit strategies.

Clear Ownership History & Operational Continuity

The current owners purchased the property, submitted the original cannabis production license application, and approved the improvement of the property to it's current format in cooperation with the tenant - ensuring complete continuity, transparency, and documentation on all phases of development and licensing.

Significant Tenant Investment & Below-Replacement-Cost Pricing

The tenant has invested over \$30 million into cannabis-specific improvements, systems upgrades, and custom interior buildouts—bringing the facility's estimated replacement value to approximately \$40 million. This offering represents a rare opportunity to acquire a stabilized, income-producing asset at less than half of its total capitalized cost, with substantial embedded value already in place.



LOCATION OVERVIEW

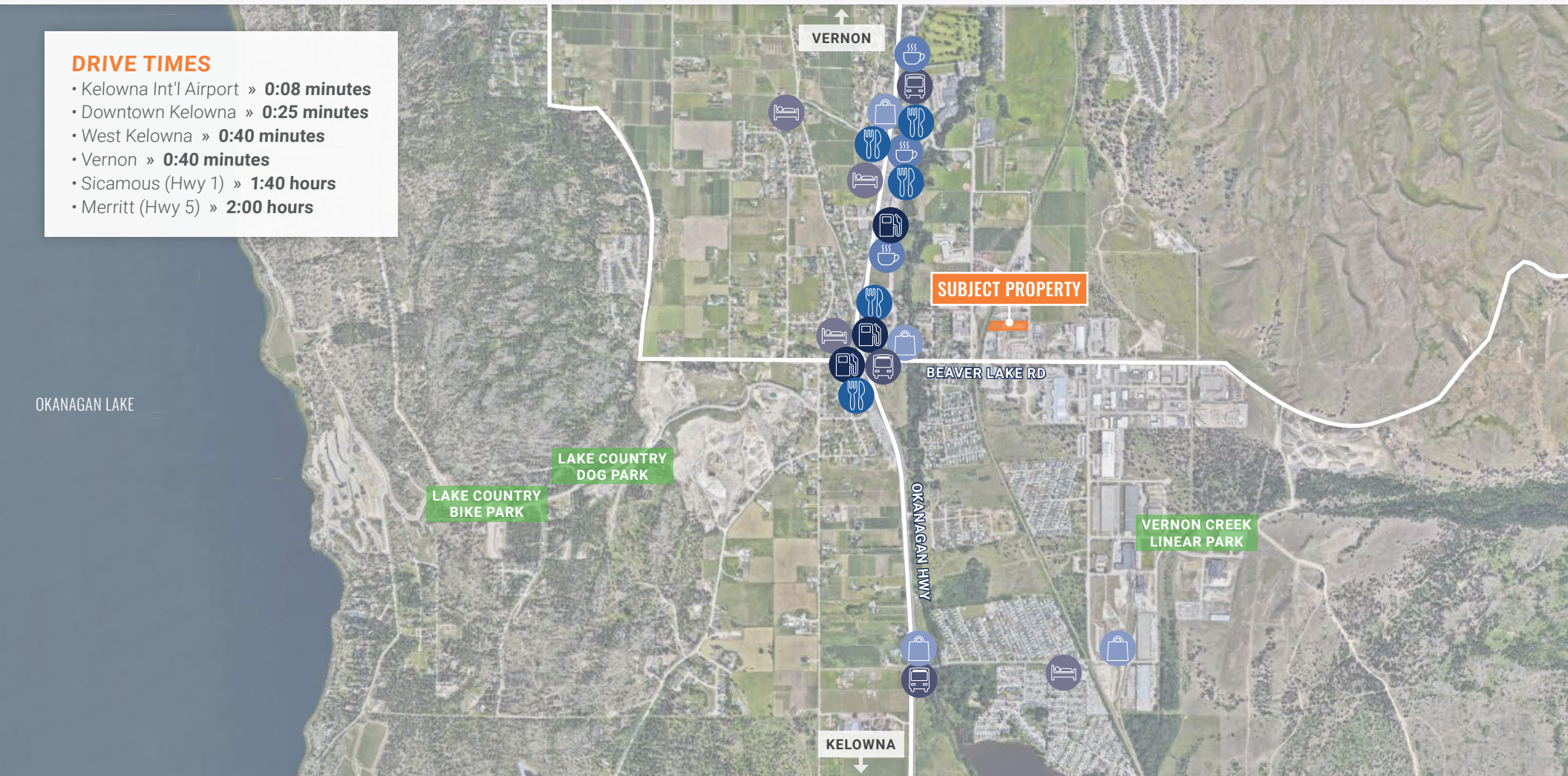
The subject property is strategically located just off Highway 97 in Lake Country, situated within the Beaver Lake Road Industrial Park, one of the most modern and fastest-growing industrial nodes in the Okanagan. This submarket has seen a surge of new development in recent years and is quickly becoming a preferred location for industrial users seeking high-quality facilities, excellent accessibility, and proximity to key infrastructure. With direct access to Highway 97 and less than 10 minutes to Kelowna International Airport, the area supports efficient logistics and regional distribution, while offering seamless connectivity to Kelowna, Vernon, and the broader Okanagan corridor.

AMENITIES

-  Gas
-  Restaurants
-  Transit
-  Coffee
-  Hotels
-  Retail

DRIVE TIMES

- Kelowna Int'l Airport » **0:08 minutes**
- Downtown Kelowna » **0:25 minutes**
- West Kelowna » **0:40 minutes**
- Vernon » **0:40 minutes**
- Sicamous (Hwy 1) » **1:40 hours**
- Merritt (Hwy 5) » **2:00 hours**



DRIVE TIMES

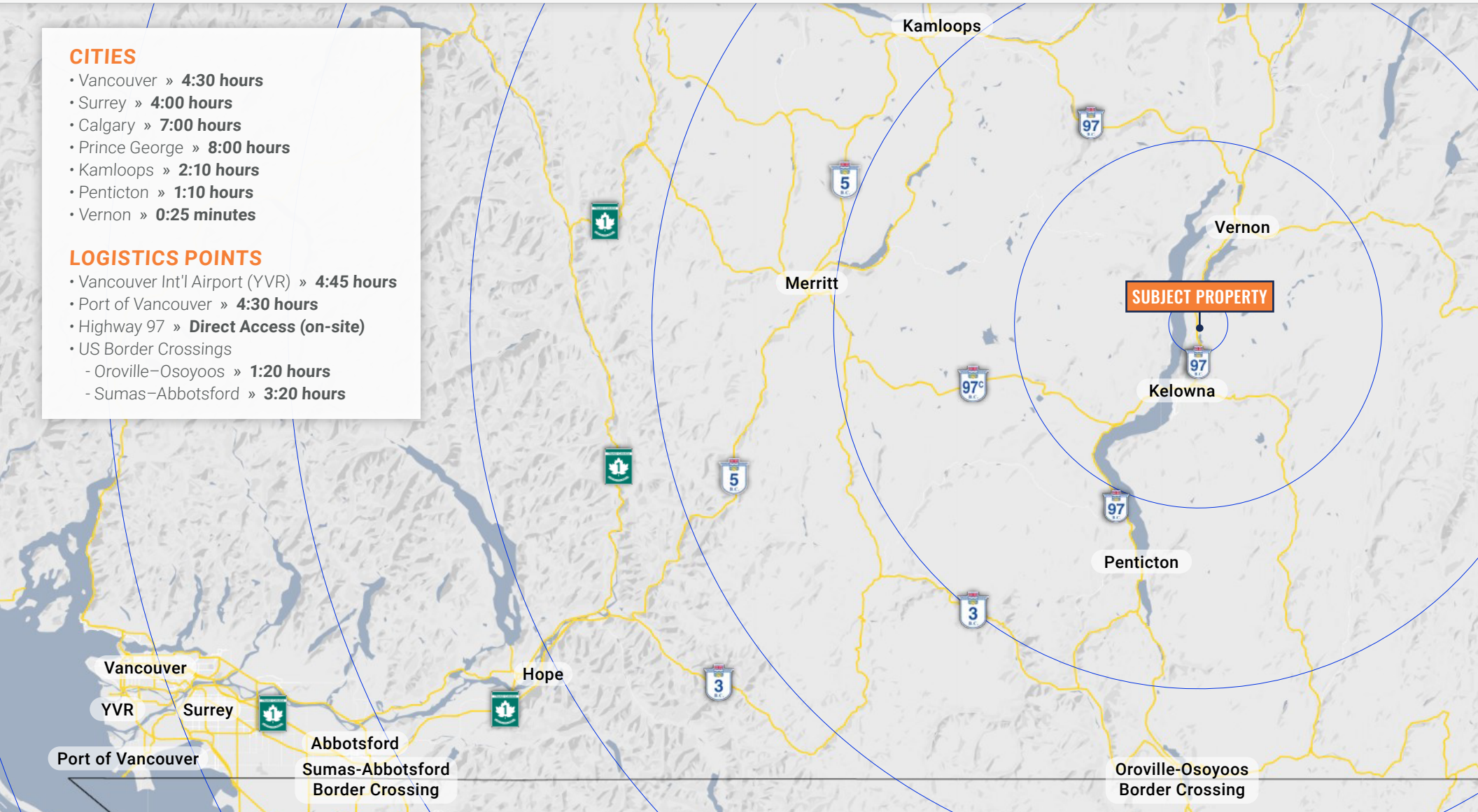
Situated just north of Kelowna in Lake Country's Beaver Lake Industrial Park, the property occupies a strategic position along Highway 97, one of British Columbia's most critical transportation corridors. Just 8 minutes from Kelowna International Airport (YLW), and within 4.5 hours of Metro Vancouver, 5 hours to the U.S. border, and 7 hours to Calgary, the site offers exceptional access to Western Canada's major trade routes and population centres. This high-connectivity location enhances tenant appeal by supporting efficient logistics, national distribution, and workforce accessibility—key drivers of long-term occupancy. As one of the Okanagan's most modern and rapidly growing industrial submarkets, Beaver Lake continues to attract new development and corporate interest, reinforcing its position as a top-tier industrial investment node.

CITIES

- Vancouver » **4:30 hours**
- Surrey » **4:00 hours**
- Calgary » **7:00 hours**
- Prince George » **8:00 hours**
- Kamloops » **2:10 hours**
- Penticton » **1:10 hours**
- Vernon » **0:25 minutes**

LOGISTICS POINTS

- Vancouver Int'l Airport (YVR) » **4:45 hours**
- Port of Vancouver » **4:30 hours**
- Highway 97 » **Direct Access (on-site)**
- US Border Crossings
 - Oroville-Osoyoos » **1:20 hours**
 - Sumas-Abbotsford » **3:20 hours**



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