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Project of the Month: Hanover Crossing – a true transformation

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Hanover, MA Perseverance is paying off! In 2016 PREP Property Group purchased the Hanover Mall with a vision of redeveloping it into a vibrant, relevant mixed-use center that caters to the town and the surrounding area's shopping and entertainment needs.

Opened in 1971, Hanover Mall was a 732,000 s/f regional mall with exterior outparcels. The Hanover Mall held its own throughout the decades, despite being bought and sold several times throughout those years. At its height, it commanded a \$99 million price tag in 2007; during the Great Recession of 2008/2009, Hanover Mall (and many other malls throughout the country) struggled and found itself under bank ownership. When PREP purchased the property from the bank in 2016, the mall was only half-occupied, with minimal sales and limited shoppers. But the outparcels – including Dick's Sporting Goods, Trader Joe's, Panera Bread, and Petco – continued to experience strong sales and market share, which bolstered confidence in the purchase. And the location couldn't be beat – situated between the heavily traveled Rte. 53 and Rte. 3. This destination retail location just needed a relevant vision.

Where are we today?

Through a team effort of multiple consultants and the partnership with the town, the vision of a relevant, mixed-use center is being realized. Existing tenants that have remained at the re-named Hanover Crossing include Macy's, Macy's Furniture, Dick's Sporting Goods, Trader Joe's, Petco, Panera, Mattress Firm and Buffalo Wild Wings. Under PREP's leadership, new tenants recently

opened and operating include an 80,000 s/f Market Basket, MB Spirits, Showcase Cinema, Chipotle, Old Navy, and most recently, Sullivan's Castle Island. New tenants opening in the near future include Ryan Family Amusements, 110 Grill, LL Bean, Sephora, Evviva Trattoria, and others.

This merchandising mix is incredibly strong, and delivers much more than the traditional mall experience by providing grocery, entertainment and other uses desired by the community. In addition, this kind of mix cultivates a symbiotic relationship among tenants. A tenant like Market Basket provides constant, consistent traffic; the Showcase Cinema attracts moviegoers from further away towns who might decide to get dinner somewhere first, or go bowling after. The combination of national retail stores with locally owned boutiques has also proven supportive.

The U-shaped layout of Hanover Crossing was very intentional. This layout allows shoppers both the luxury of parking close to retailers to get in and out quickly or allows the ability to enjoy an experiential trip – in which a visitor could shop at various retailers, eat at one of the food offerings, see a movie, play some games, grab the groceries, or meet at the Central Green area with friends and family to hang out.

In fact, the Central Green will serve as a virtual town center. The gathering space is approximately 30,000 s/f featuring a comfortable turf grass area, and can be used for casual gatherings and meeting friends and family. The space also provides the opportunity to host planned events that the community can attend, such as yoga at the park, as well as special smaller events coordinated by tenants. The Central Green has a number of positive impacts – having access to this kind of space allows retailers to help spotlight and promote their businesses, and a casual gathering space reflective of nature enhances consumer experience.

During the acquisition process, PREP knew it was important to provide a mixed-use component to the redevelopment. A multi-family community made the most sense for the project. Potential residents are drawn to this style of living – an urban setting in which to live, work and play, but still in a suburban location. They get the best of both worlds, and can do everything during their day within walking distance without the traffic and parking issues of a big city. PREP was very fortunate to partner with Hanover Company to develop this multifamily community at Hanover Crossing. Based out of Houston, TX, Hanover Company provides upscale apartment living that strives to provide a superior living experience for their residents. The company has created several residence developments in Massachusetts, and two of the four new buildings are already being leased, with completion anticipated for June. The combination of all that Hanover Crossing offers combined with the new residences built by Hanover Company is truly creating a live, work, and play experience.

The redevelopment of Hanover Crossing has breathed new life into an entire micro-economy that

will employ more than one thousand people in and around the town. Already Market Basket has hired 300 people, and Showcase Cinemas has 100 employees.

A redevelopment of this magnitude is a complex, fluid process. To be successful, the team of consultants hired by PREP needs to continually be on the same page and able to pivot when needed. The project only works if it is a win for the town and a win for the owner. PREP understood the importance of the Hanover Mall to the town and how important it is to get the redevelopment right to preserve the property for decades to come. The town's various boards and committees did a great job of representing their residents and ultimately approving a redevelopment that was excellent for the community.

As we move forward, we're buoyed by what we've already been through, and excited for what the future holds. The pandemic and its subsequent challenges like supply chain issues helped to hone our perseverance and ingenuity, and the strength of retail post-COVID is incredibly encouraging. We're ready to realize the vision.

The project team included:

PREP Property Group - Developer
Kelly Engineering Group - Civil Engineer
Hawk Design, Inc. - Landscape Architect
Vanasse & Associates inc. - Traffic Engineer
McArdle Gannon Associates, Inc. - Geotechnical Consultant
Marinelli Law Office - Zoning Attorney

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