

Center City District Reports



# Center City Retail Update

July 2023



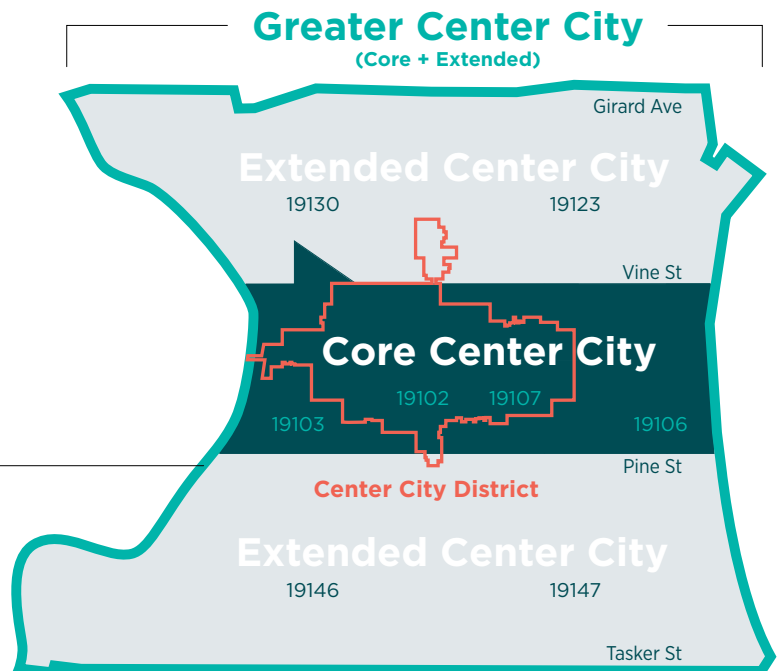
# Key Takeaways

- Retail occupancy in core Center City in June 2023 had rebounded to 82% from a low of 55% in June 2020 and is approaching 2019 occupancy levels of 89%.
- Greater Center City’s population has grown by 27.3% since 2010, while the downtown core has grown even faster, at 31.5%. Non-resident workers have returned to 61% of May 2019 levels; visitor traffic is at 75% of May 2019 levels, and overall pedestrian volume has reached 94% on weekends.
- Even with indoor dining fully restored, demand for outdoor restaurant seating remains high, with sidewalk café seating up 14% since 2022.
- At least 26 businesses have planned 2023 openings. Brokers report sustained leasing momentum.
- Taxable retail sales for the first quarter of 2023 in core Center City are at 97% of 2019 levels; bars and restaurants are at 95% of 2019 levels.

During the last two decades, Philadelphia has emerged as one of the most walkable and diversified downtowns in North America. Within the boundaries of the Center City District there are 167 office buildings, seven major education and health care institutions, 498 cultural institutions, 208 apartment buildings, 128 condominium buildings and 45

hotels, which generate foot traffic, weekdays and weekends, during the day and evening hours. **By June 2023, daily foot traffic in core Center City had been restored to 75% of 2019 levels and supported 1,871 retail premises within the boundaries of the CCD, 82% of which were occupied, compared to 89% in 2019.**

## Defining Center City Philadelphia



## Center City Storefronts

In 2019, 11% of storefronts within the District were vacant (Figure 1). Due to the mandated shutdown of the economy, stay-at-home directives and civil unrest, the observed vacancy rate in June 2020 briefly spiked to 45%. Many businesses reopened by January 2021, lowering the vacancy rate to 30%, but this was offset by the impact of national bankruptcies and local closures. By June 2023, the steady process of recovery and new openings increased the District's occupancy rate back up to 82.4%, the highest point in the last

three years, with 26 more businesses publicly announced to open within the year. Because the retail leasing process—from the initial tour to the grand opening—can take six months to a year, the current count of vacancies can be considered a lagging indicator and, assuming no major national economic downturn, Center City could approach 2019 occupancy levels by the end of 2023.



### Food & Beverage

Newly Opened: 32  
Coming Soon: 18



### Retailers

Newly Opened: 27  
Coming Soon: 5



### Service Providers

Newly Opened: 11  
Coming Soon: 3





# 1,871 Existing Storefronts in the Center City District.

## 550 Restaurants (29%)

- 222** Full Service Restaurants
- 204** Takeout, Sandwich & Quick Service
- 59** Coffee Shops
- 36** Bars & Nightlife
- 17** Bakeries
- 12** Ice Cream, Water Ice, Smoothie, etc.

## 460 Service Providers (25%)

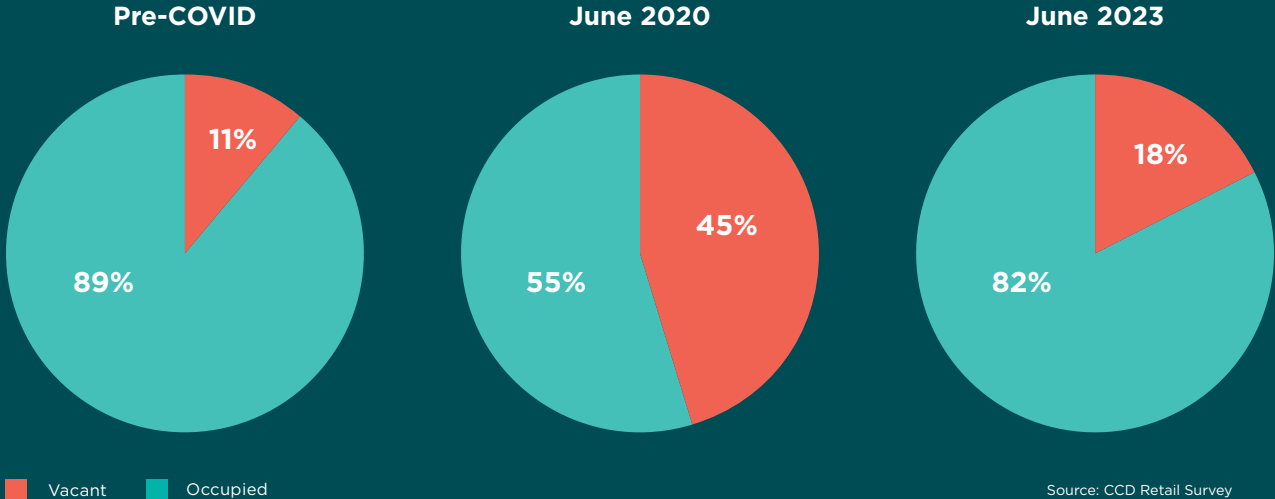
- 105** Beauty
- 75** Bank & Financial
- 71** Health
- 35** Fitness
- 18** Laundry
- 18** Legal
- 14** Real Estate
- 10** Professional Services
- 9** Delivery
- 8** Social Services
- 8** Travel Agency
- 6** Education
- 6** Insurance
- 77** Other Service

## 530 Retail Stores (28%)

- 134** Apparel
- 116** Jewelry
- 68** Food & Drink
- 44** Beauty, Health & Fitness
- 37** Entertainment, Arts & Recreation
- 24** Home & Garden
- 22** Electronics
- 18** General Merchandise
- 17** Optical
- 11** Art & Hobbies
- 5** Music, Video & Video Games
- 5** Office Supplies & Stationery
- 3** Bookstores
- 26** Other

## 331 Vacancies (18%)

■ **Figure 1:** Center City Storefront Operating Status



# 2023 CCD Storefront Openings

## RECENT OPENINGS

### Food & Beverage

101 Unlocked  
(Undisclosed Location)

Andra Hem  
218 S. 16th Street

Bagels & Co.  
1526 Sansom Street

Bankroll Club  
1910 Chestnut Street

Beck's Cajun\*  
Reading Terminal Market

Boba King  
1232 Chestnut Street

Bolo  
2025 Sansom Street

Bower Café  
1213 Walnut Street

Broth Thyme  
102 S. 13th Street

Buena Onda  
114 S. 20th Street

Buena Onda  
The Concourse at  
Comcast Center

Butcher's Pantry  
Reading Terminal Market

Darling Jack's Tavern  
104 S. 13th Street

Di Bruno Bros. Focacceria  
The Concourse at  
Comcast Center

Garces Trading Company  
at Kimmel  
300 S. Broad Street

The Hayes  
1123 Walnut Street

Kismet Bagels  
1700 Sansom Street

Kismet Bialys  
Reading Terminal Market

Kook Burger & Bar  
2102 Market Street

Kura Sushi  
1721 Chestnut Street

The Juice Pod Center City  
The Concourse at  
Comcast Center

Maya Pizza  
716 Sansom Street

Mochinut  
1023 Arch Street

Moustaki Authentic Gyros  
120 S. 15th Street

Oakberry  
1206 Walnut Street

Philly Bagels  
1501 Locust Street

Pizzeria Salvy  
The Concourse at  
Comcast Center

Saami Somi  
Reading Terminal Market

Shaq's Big Chicken  
The Concourse at  
Comcast Center

Taste Town  
938 Market Street

Time & Peace  
36 S. 7th Street

Wicked Wolf  
1214-1216 Chestnut Street

**Retailers**  
Barnes & Noble\*  
1708 Chestnut Street

Botld  
119 S. 18th Street

Chestnut Street  
Handbags and Gift Shop  
1015 Chestnut Street

Cork and Candles  
1315 Walnut Street

Duross & Langel\*  
240 S. 11th Street

Ebisu Japanese Life Store  
1023 Arch Street

Faherty  
1600 Walnut Street

Free People\*  
1632 Walnut Street

General's Jerky  
Reading Terminal Market

Glossier  
1716 Walnut Street

Good Fellaz Cigars  
The Shops at Liberty Place

Gorjana  
1630 Walnut Street

J. Crew Factory  
1535 Chestnut Street

Jap's Dickies  
1226 Chestnut Street

Joybird  
1507 Walnut Street

Kilwins  
143 S. 13th Street

La'vanter Boutique  
The Shops at Liberty Place

Lux Delites  
The Shops at Liberty Place

Madewell\*  
1729 Walnut Street

Mejuri  
1525 Walnut Street

Outdoor Voices  
1723 Walnut Street

Pretty On You  
1726 Sansom Street

Saatva  
1712 Walnut Street

The Spot at the Fashion  
District  
Fashion District

ThirdLove  
1611 Walnut Street

Unique V  
Fashion District

Wayne Edwards  
Workshop\*  
1724 Sansom Street

**Service Providers**  
4ever Young  
1216 Walnut Street

Aniquelao Shoe Shine  
The Shops at Liberty Place

iFix Gadgets  
1625 Chestnut Street

Old City Art + Framing  
The Shops at Liberty Place

Red Rum  
601 Walnut Street

Rescue Spa\*  
1811 Walnut Street

Restore Hyper Wellness  
1229 Chestnut Street

Sugared & Bronzed  
1733 Chestnut Street

Welnox  
1512 Sansom Street

Veterinary Emergency  
Group  
1213 Walnut Street

YogaSix  
1701 Walnut Street

### COMING SOON

**Food & Beverage**  
1831 Café  
1831 Chestnut Street

Arctic Scoop  
1625 Chestnut Street

Barcade  
1326 Chestnut St

Boqueria  
1608 Sansom Street

Chotto Matte  
1134 Sansom Street

Destination Dogs  
1900 Market Street

Dizengoff\*  
1625 Sansom Street

Flight Club Darts  
1411 Walnut Street

Goldie\*  
128 Sansom Street

Insomnia Cookies  
1 S. Broad Street

Loch Bar  
301 S. Broad Street

Mulherin's  
1175 Ludlow Street

Salt + Vinegar  
Dilworth Park

Schulson Collective  
Restaurant Concept  
1911 Walnut Street

Starr Restaurant  
1805 Walnut Street

Taylor Chip  
1807 Chestnut Street

Tapster  
110 S. 16th Street

Vinyl Bar & Lounge  
215 S. 15th Street

### Retailers

Alo Yoga  
1608 Walnut Street

Aritzia  
1725 Walnut Street

Figs  
1625 Walnut Street

Je Suis Jolie\*  
1824 Chestnut Street

Tempur-Pedic  
1713 Walnut Street

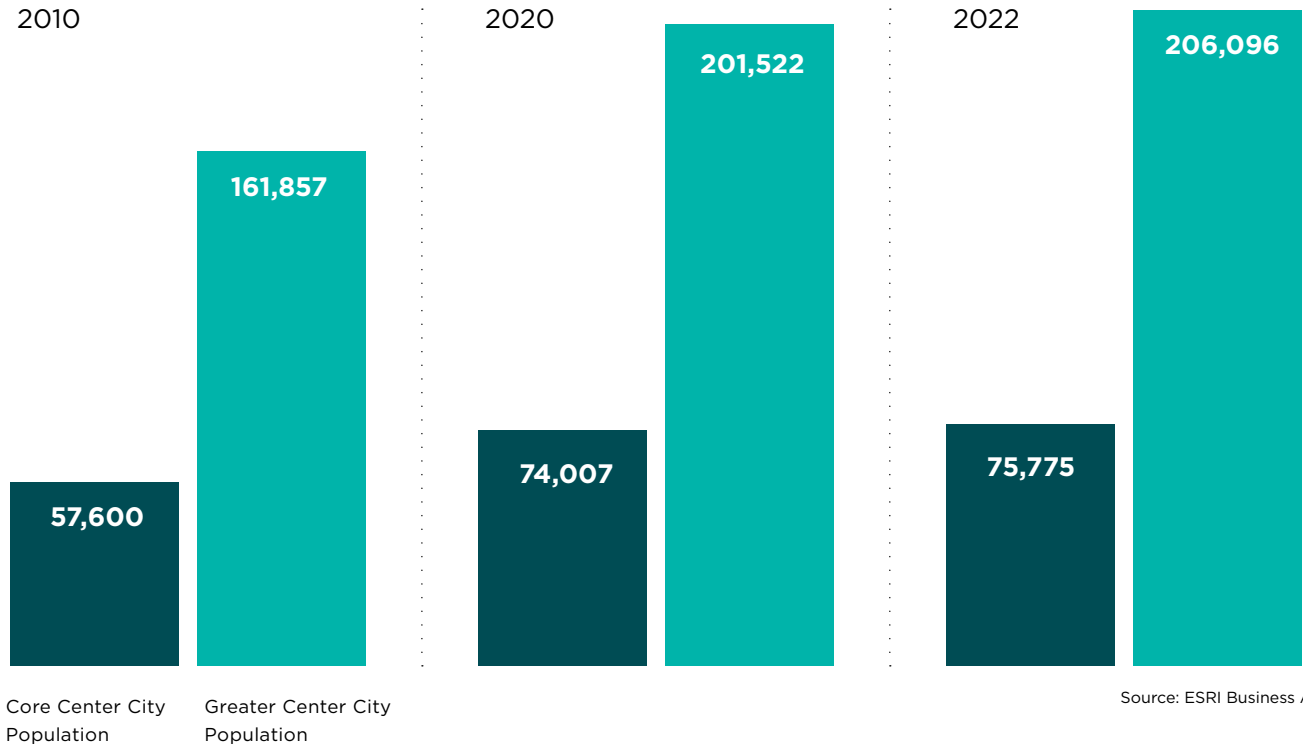
**Service Providers**  
Equinox  
1911 Walnut Street

Laser Away  
1503 Walnut Street

Puttshack  
The Shops at Liberty Place

\*Indicates Relocation/ Expansion

Figure 2: Population Growth in Center City



Population in core Center City has increased 31.5% since 2010.

Center City Philadelphia boasts dense, diverse and walkable land-use patterns, an appealing blend of historic and modern architecture, and unparalleled public transit access. These factors have made Center City one of the most resilient and sustainable downtowns in North America.

Accessibility & Walkability

- From river to river, Center City can be crossed in 45 minutes on foot, in 20 minutes by bike and within seven minutes by transit.
- Core Center City is served by 40 bus lines, three subway lines, five trolley lines, and 14 regional rail lines; it is a one-seat transit ride from the vast majority of the region
- Center City is just 20 minutes from Philadelphia International Airport, and five minutes from William H Gray III 30th Street Station, which services Amtrak, NJ Transit and SEPTA

Density

- More than 206,000 residents live in Greater Center City, with more than 75,000 of those living in the commercial core.
- Philadelphia’s downtown population density is 54.5 residents per acre, fourth only behind New York, San Francisco and Chicago.
- 46 hotels within the Center City District are a short walk from the Pennsylvania Convention Center.

Demographics & Population

- Multifamily units delivered or expected from 2022 to 2025:
  - Core Center City: 3,877
  - Greater Center City: 11,091
- Population with a bachelor’s degree or higher:
  - Core Center City: 81.3%
  - Greater Center City: 70.2%
- Population increase since 2010:
  - Core Center City: 31.5%
  - Greater Center City: 27.3%
- Total population:
  - Core Center City: 75,775
  - Greater Center City: 206,096

## Notable Openings

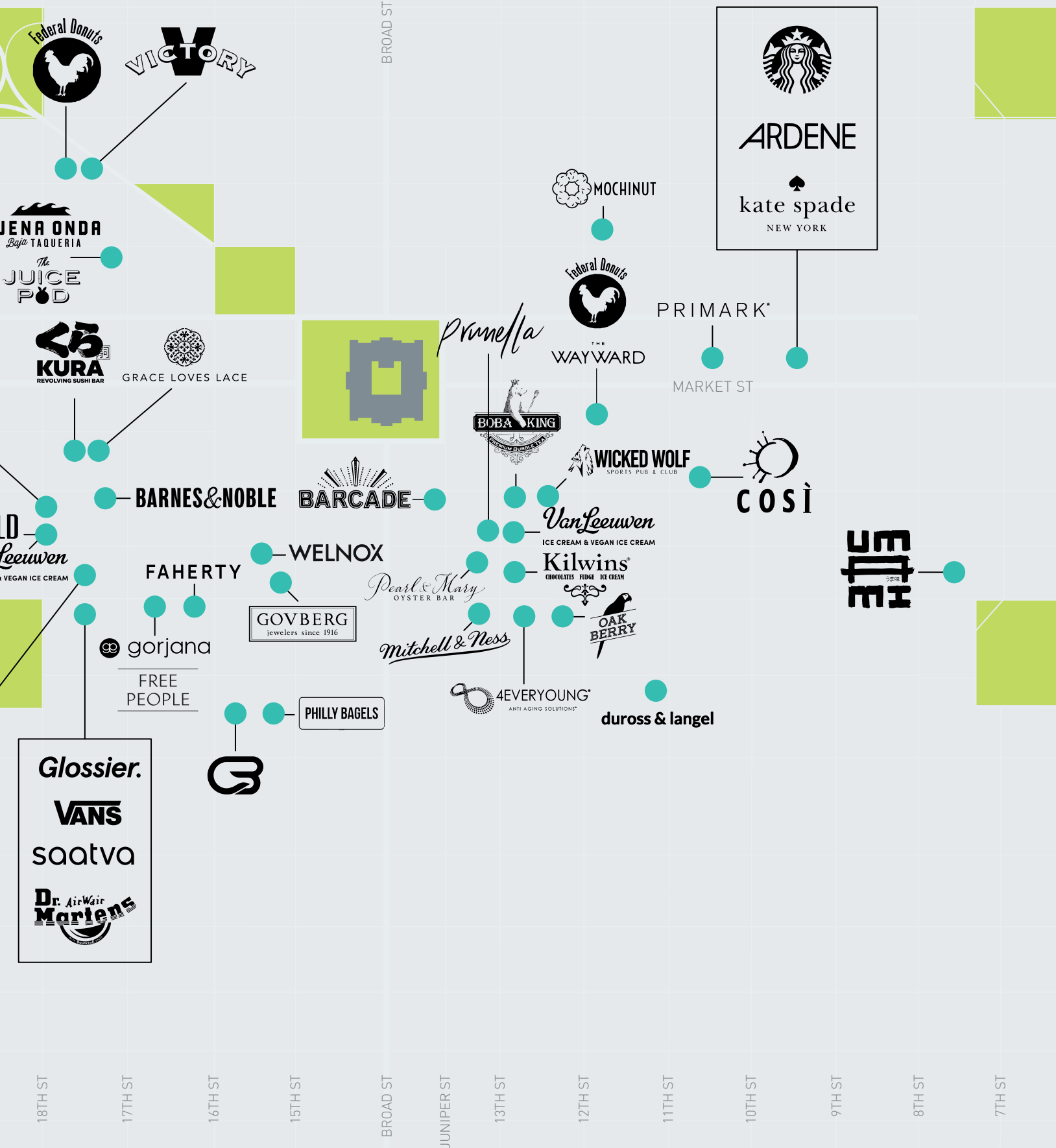
As Center City’s tourism, shopping, and residential foot traffic continues to rebound, and as residents surpass pre-pandemic levels, the weekday worker population continues to recover at a slower rate. Hospitality and retail workers are back at 2019 levels; educational health care and all sectors that rely on face to face interaction are back at their workplaces. However, office workers—in Philadelphia and across the country—have been the slowest to return. CCD has developed a broad range of initiatives to encourage the return to office from increased public safety deployment, to lobby and plaza activation events in partnership with building owners and recurring promotions like Center City District Sips and Restaurant Week. The downtown retail sector benefits markedly as more workers return to the office—and for more days per week. Some notable new openings within a quick walk of the office district include:

1. The Concourse at Comcast Center has seen several new openings this year, including Buena Onda, The Juice Pod, Pizzeria Salvy, Di Bruno Bros. Focacceria and Shaq’s Big Chicken, as Comcast office workers and daily commuters increasingly return to the office.
2. Barnes & Noble has relocated to 1708 Chestnut Street as part of a new corporate rethinking of their retail footprint, placing them closer to the concentration of office worker foot traffic near West Market Street. Local restaurateur Stephen Starr is planning to repurpose the former Barnes & Noble space at 1805 Walnut Street into a multilevel dining concept in the heart of Rittenhouse Square.
3. Insomnia Cookies, a national chain that started in Philadelphia in 2003, has leased 26,000 square feet at 1 South Broad Street as its new headquarters with a “retail store of the future” on the ground floor.
4. Puttshack, a London-based mini-golf venue with a bar and restaurant, has leased 26,000 square feet of the ground floor of The Shops at Liberty Place, 1625 Chestnut Street.
5. Kura Sushi (1721 Chestnut Street), Bolo (2025 Sansom Street), and Kook Burger & Bar (2102 Market Street) are several office-adjacent restaurants that have recently opened to cater to growing happy hour and weekday evening crowds.

Selected New Center City Retailers and Restaurants, Open and Announced Since 2020







## Outdoor Seating

Sidewalk and on-street seating provided a lifeline for restaurants throughout 2020 and 2021 in Center City, which has long enjoyed abundant outdoor restaurant dining. The number of outdoor seats peaked in 2021 at the height of the pandemic but even as restrictions have fully lifted, demand for al fresco dining persists throughout Center City.

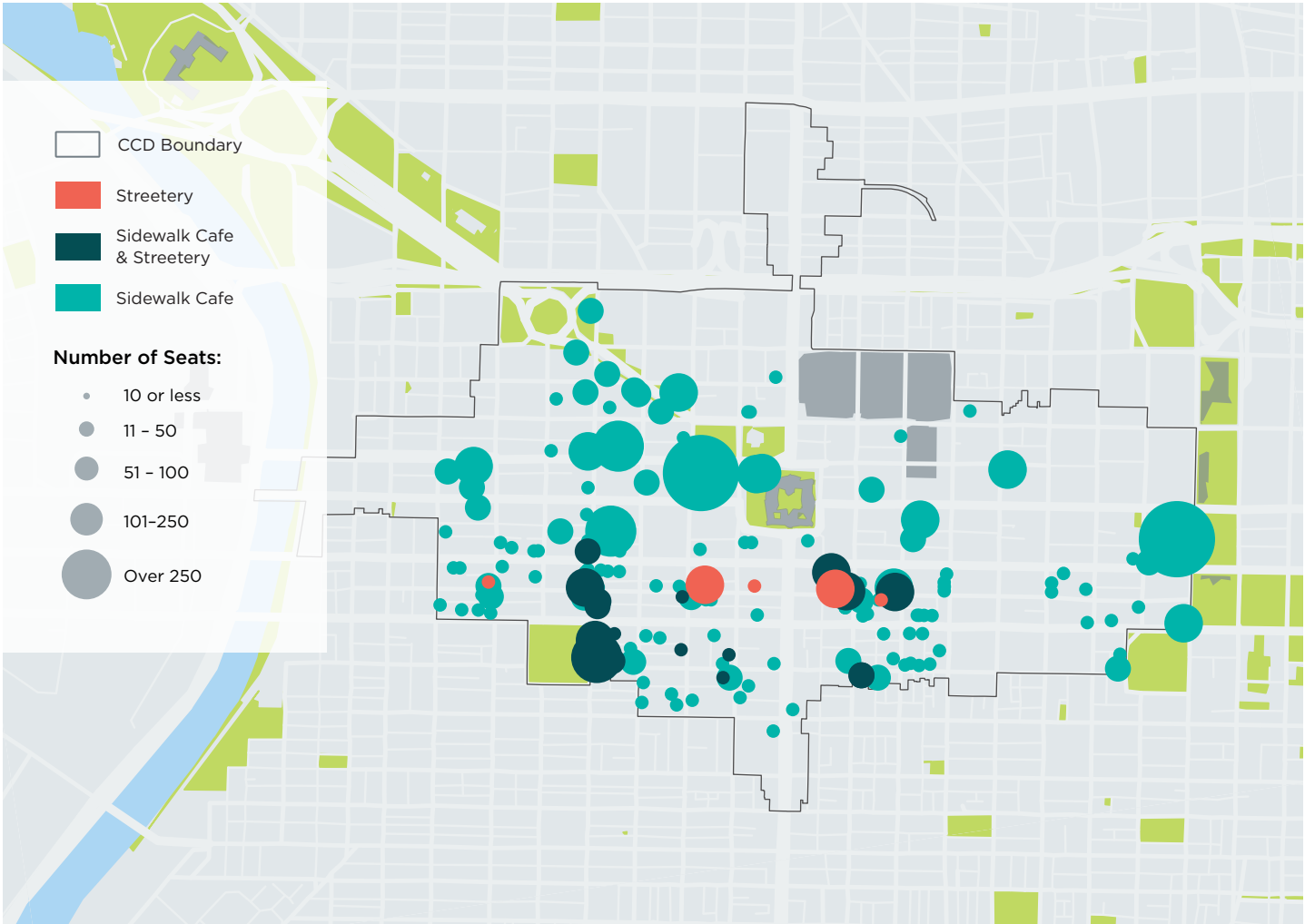
While the City of Philadelphia is in the process of reviewing its streetery regulations and expects these to continue in a modified form, there has been an almost 14% increase in

sidewalk café seating from 2022 to 2023. Just since March 2023, 36 restaurants have increased their outdoor seating availability, with almost a dozen adding outdoor dining options for the first time. The continuously increasing demand for outdoor seating speaks strongly to the increasing vitality and safety of the Philadelphia streetscape as visitors come to Center City for shopping and dining experiences found nowhere else.

# Center City District has over 4,800 seats at sidewalk cafés and streeteries.

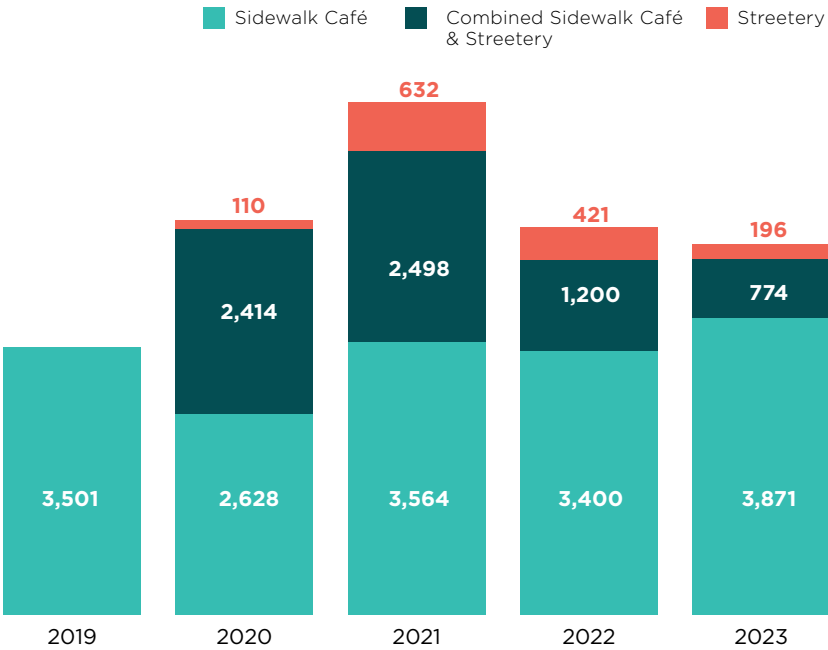


**Figure 3:** Outdoor Seating in Center City



Source: Center City District

**Figure 4:** Outdoor Seating in Center City by Type



Source: Center City District

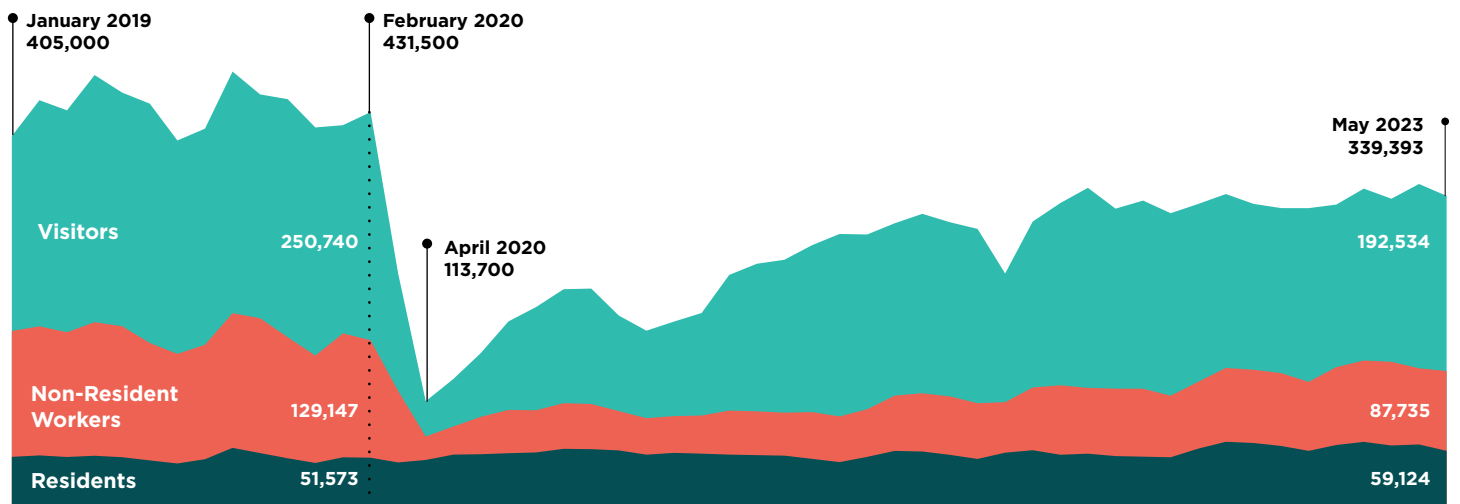
Outdoor seating has increased by 38% across Center City since 2019.

## Pedestrian Volumes

The combined average daily volume of workers, residents, visitors and students in Center City at the end of May reached 339,393—75% of 2019 levels, according to Placer.ai data. While shoppers, tourists and visitors were also at 75% of May 2019 levels on weekdays and at 92% on weekends the amount of downtown resident pedestrian volume currently stands at 113% of 2019 levels as Center City’s resident population continues to grow. Several notable trends continue to push pedestrian volumes higher. The number of overall jobs within Center City has reached 2019 levels and is set to surpass that as the economy continues to grow.

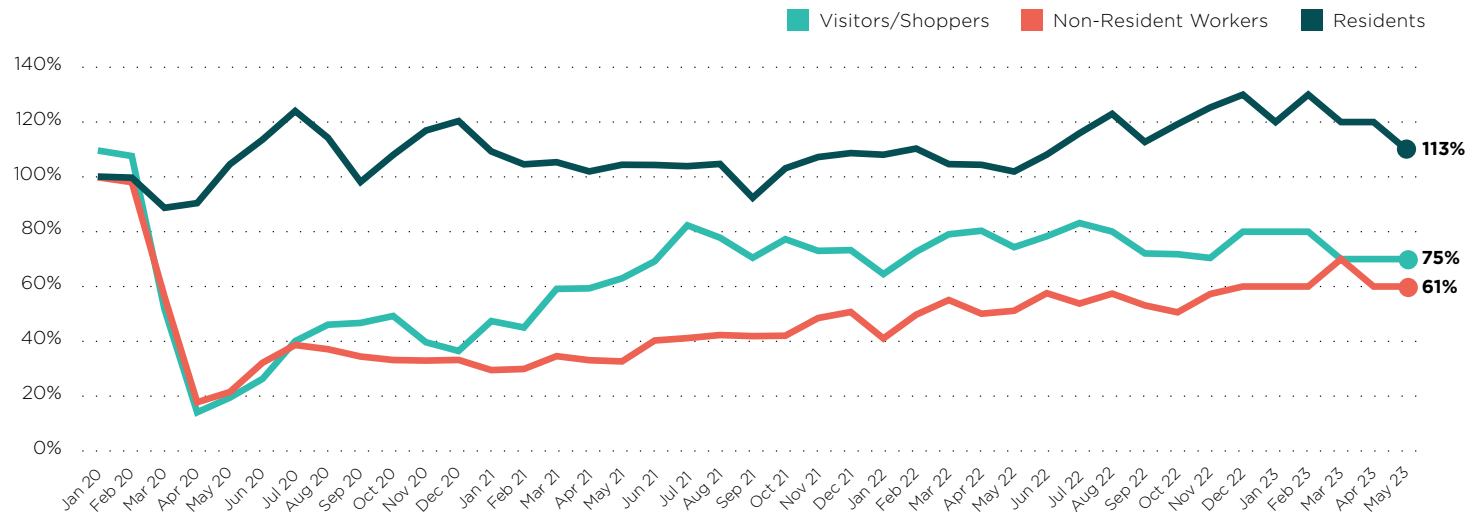
Colleges and universities have fully resumed in-person learning over the past year, as well as the return of conventions, cultural attractions and international travel bringing in visitors from outside of the region. The percentage of non-resident workers saw a considerable jump from 2022 to 2023, from a low of 40.2% to peaking at 67% of 2019 levels during March 2023.

**Figure 5:** Average Daily Population in Center City



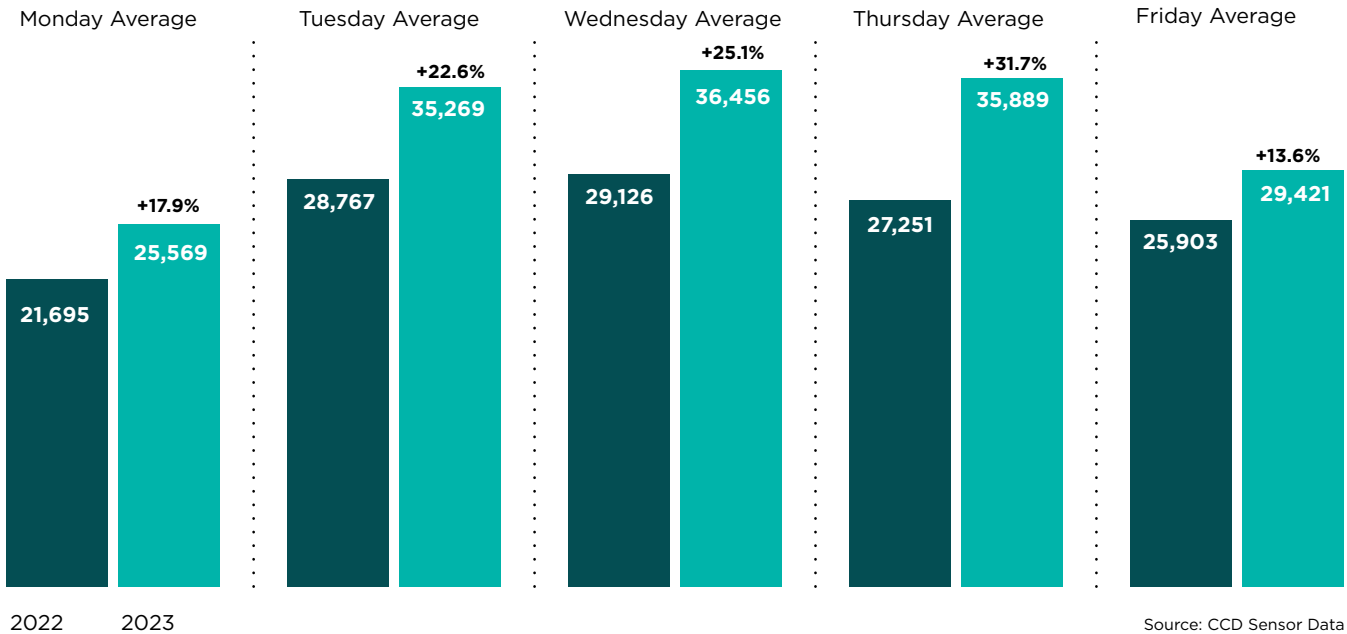
Source: Placer.ai

**Figure 6:** Average Daily Pedestrians in Center City as a Percentage of 2019 Levels



Source: Placer.ai

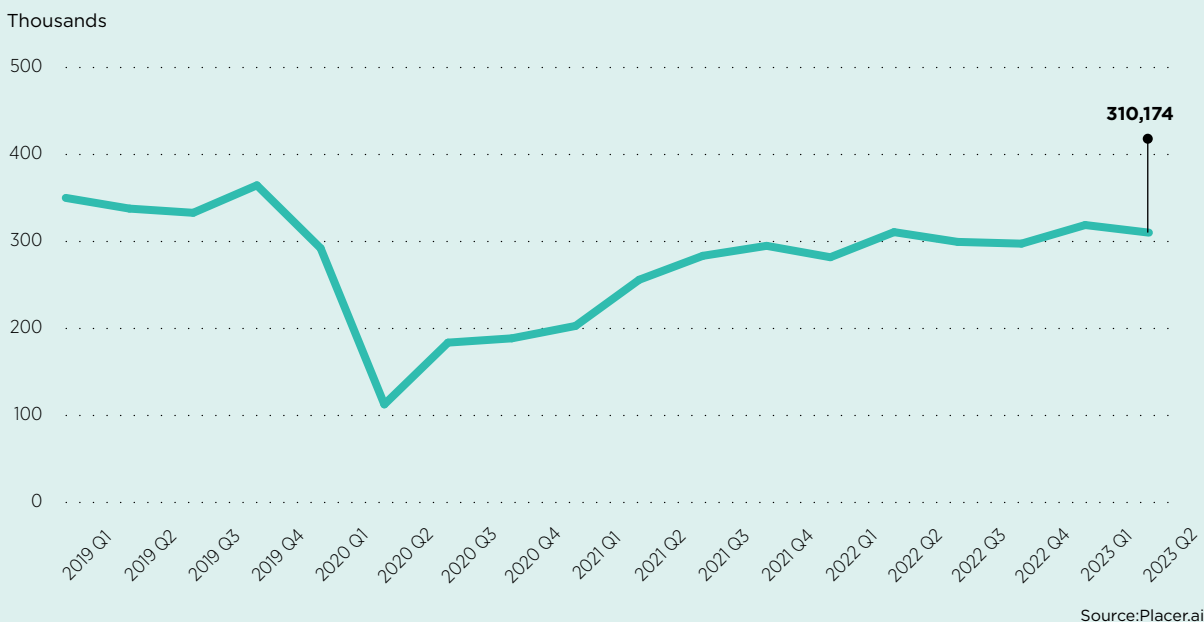
**Figure 7:** Average Weekday Pedestrian Sensor Counts, West Market Office District



The recent return of major employers like Comcast has produced a steady increase in foot traffic on West Market Street and JFK Boulevard, with weekday volumes rising 23% from May 2022 to May 2023.



**Figure 8:** Weekend Core Center City Pedestrian Volume Averages



Average working weekday pedestrian volumes (Monday through Friday, 8 a.m. to 6 p.m.) currently stand at 68% of May 2019 levels as the daytime office worker population steadily return to downtown. Center City continues to serve as a premier recreational destination within the region, with weekday evening and weekend pedestrian volumes at 81% and 94%, respectively, of 2019 levels.

**Figure 9:** Daytime Core Center City Pedestrian Volume Averages, Monday–Friday, 8am–6pm



**Figure 10:** Evening Core Center City Pedestrian Volume Averages, Monday–Friday, 6pm–11pm



### Sales Performance

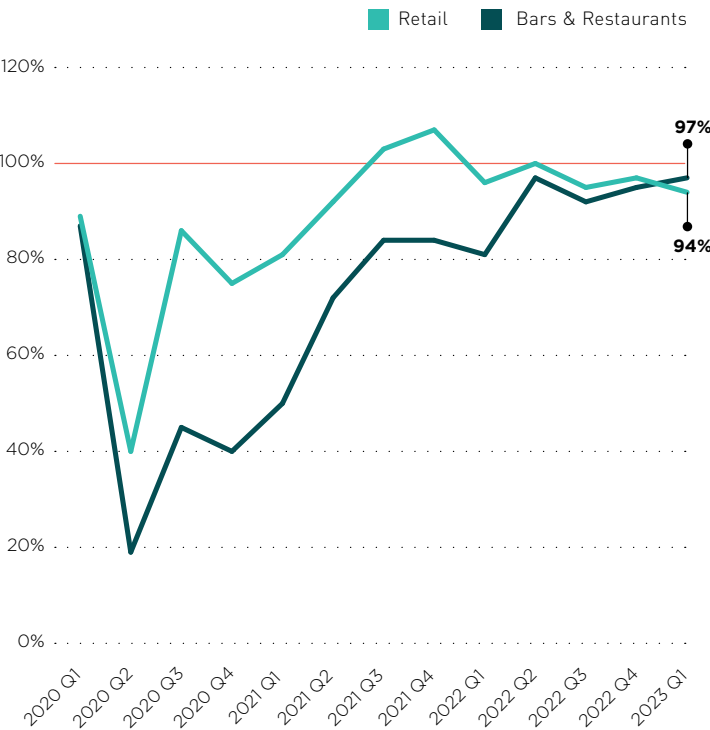
The gradual return of workers, tourists and convention attendees is apparent in sales tax data provided by the Commonwealth of Pennsylvania. Using quarterly data from 2019 as the baseline, taxable retail sales in core Center City (see page 2 for boundaries) during the first quarter of 2023 are at 94% of 2019 levels, while bars and restaurants are at 97% of 2019 levels.

By comparison, sales in the extended neighborhoods with 132,000 residents, from Vine Street to Girard Avenue and from Pine Street to Tasker Street, have achieved or exceeded 2019 levels since the third quarter of 2020. Tax collections from restaurants and bars have jumped to 120% of 2019 in the first quarter of 2023, displaying the relative strength of sales in both core and Greater Center City. (Figure 12).

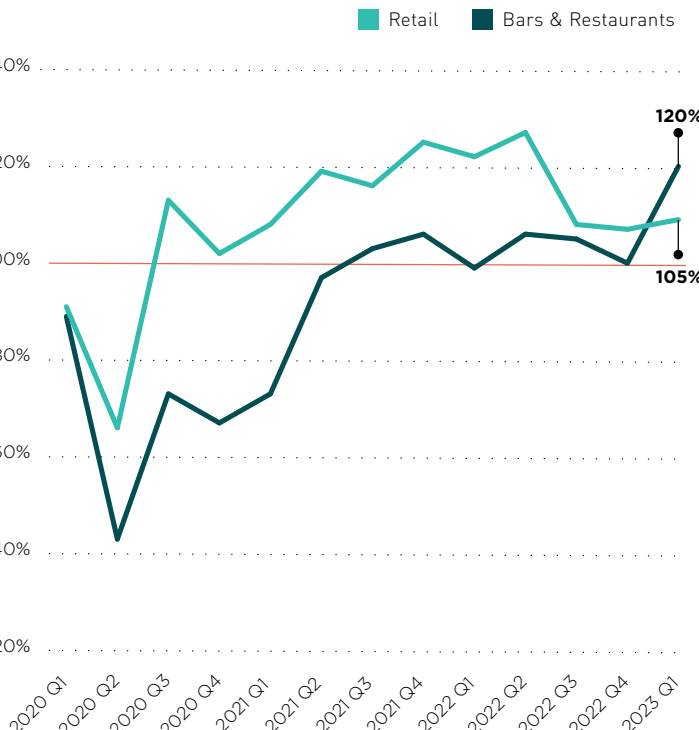
Many businesses in the extended neighborhoods that relied on strong three-day per week demand, are now benefiting from seven-day per week demand from those working from home. As larger numbers of employees return to Center City, and more residents move into the urban core, we can expect an equilibrium to occur across all of the extended Center City boundaries as the live-work-play composition of individual neighborhoods grows and is reinforced across Center City.

## Tax collections from restaurant and bars have jumped to 120% of 2019 in the first quarter of 2023.

**Figure 11:** Core Center City Sales Tax Collections from Retailers and Restaurants as a Percentage of 2019



**Figure 12:** Extended Center City Sales Tax Collections from Retailers and Restaurants as a Percentage of 2019



Source: PA Department of Revenue



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