CPDC Membership Meeting
Tuesday, September 28, 2021, 8:30 a.m.

Development Momentum & Challenges
Publication of Center City Developments 2021

Panelists:
Leo Addimando, Managing Partner, Alterra Property Group
Jeffrey DeVuono, Executive Vice President and Senior Managing Director, Pennsylvania, Brandywine Realty Trust
Paige Jaffe, Managing Director, JLL
Clayton Mitchell, Senior Vice President, Real Estate and Facilities, Thomas Jefferson University

$3.4 billion in major new developments
Between Fairmount & Washington Ave, river to river

Major Center City Projects Completed or Under Construction, 2020-2021

$3.4 billion in major developments
3,733 residential units
1,273 hotel rooms
382,600 SF of commercial/mixed use
835,414 SF of new retail
In last 2 decades, Center City has become an extraordinary diversified downtown.

In process of adding 63 more major projects
Combine completed + in process + proposed = 20.7 million sf of development

**Major Developments In Center City, by Status**
- Completed: 63 Total Developments (17%)
- Under Construction: 24%
- Proposed: 59%

**Major Center City Developments Completed or Under Construction, by Type and Square Footage**
- Residential/Mixed Use: 21,584,624 SF (50%)
- Residential: 826,489 SF (10%)
- Hospitality: 1,353,007 SF (8%)
- Cultural: 247,889 SF (8%)
- Commercial/Mixed Use: 1,262,000 SF (5%)
- Public Space: 3,417,802 SF (5%)
- Health care & Education: 1,517,000 SF (5%)
- Government & NonProfit: 686,885 SF (2%)

Report provides a complete list; individual project profiles

Projects Completed or Under Construction in 2021

- Commercial/ Mixed Use:
  - 1111 Market Street
  - The Watermark Building

- Cultural:
  - Central Library District

- Health care & Education:
  - Children's Hospital of Philadelphia - New Buildings
  - Children's Hospital of Philadelphia

- Hospitality:
  - 2222 Walnut Street

- Public Space:
  - 22nd Street & Chestnut Street

- Residential:
  - 1500 Sansom Street

Proposed Projects

- Commercial/ Mixed Use:
  - 2000 Walnut Street

- Cultural:
  - Kimmel Center

- Health care & Education:
  - Children's Hospital of Philadelphia - New Buildings

- Hospitality:
  - 2222 Walnut Street

- Public Space:
  - 22nd Street & Chestnut Street

- Residential:
  - 1500 Sansom Street
Interactive online map

Visit centercityphila.org/developments/map for the searchable, sortable map that features all of the information found within this publication, and which will be continually updated as Center City development projects are announced, modified and completed.

Update through the year as projects are completed, go into construction or cancelled

Major Developments Completed or Under Construction, by Completion Date

<table>
<thead>
<tr>
<th>Developments</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4</td>
<td>13</td>
<td>5</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Development Database 2021, Center City District
Like all our reports: team effort

Amy Genda
Prema Gupta
Cassie Glinkowski
Stephen Landis
JoAnn Loviglio
Colin Munro
Brenda Nguyen
Lauren Smith
Bonnie Thompson

Projects strongly weighted toward residential
With few office developments

Major Center City Developments Completed or Under Construction, by Type and Square Footage

- Residential/Mixed-use: 126,962 SF (59%)
- Residential: 826,000 SF (38%)
- Hospitality: 1,203,250 SF (6%)
- Cultural: 247,000 SF (12%)
- Commercial/Mixed-use: 1,262,000 SF (6%)
- Public Space: 941,492 SF (5%)
- Health care & Education: 1,187,000 SF (6%)
- Government & Non-Profit: 418,000 SF (2%)

Total SF: 20.7 million

Source: Development Database 2021, Center City District
PMC: New residential along the Schuylkill

Alterra’s project at 510 North Broad Street

21. LVL North
Developer: Alterra Property Group
Location: 510 N. Broad Street
Size: 539,000 sf
Retail: 115,000 sf
Residential Units: 410
Start Date: June 2020
Completion Date: Fall 2022
Status: Under Construction
Investment: $175 million
Description: Located at 510 N. Broad St., the mixed-use project will include 410 residential units as well as retail and commercial space. According to Alterra, a full-service regional grocery chain will occupy the ground floor retail space. The second floor is also commercial space with tenants being finalized now.
Proposed project 2012 Chestnut Street

45. 2012 Chestnut Street

Developer: Alterra Property Group and Rheal Capital Management
Location: 2012 Chestnut Street
Type: Residential/Mixed Use
Size: 112,130 sf
Retail: Approx 5,900 sf
Residential Units: 142
Start Date: TBD
Completion Date: TBD
Status: Proposed
Investment: $60 million

Description: Preliminary plans call for the existing structure to be demolished and replaced with a 14-story tower with 142 rental units, of which 20% will be designated as affordable housing. The plans also call for approximately 5,000 square feet of retail on the ground floor and rooftop amenities for all residents.

New life-sciences & biotech labs
Drivers of new demand, primarily in University City
Brandywine Schuylkill Yards mixed-use: Lab & apartments

On 1100 block of Chestnut
National is building for Jefferson

19 story Specialty Care Pavilion

8. Thomas Jefferson Specialty Care Pavilion
Developer: National Real Estate Development
Location: 1101 Chestnut Street
Size: 462,000 sf
Start Date: 2021
Completion Date: 2024
Status: Under Construction
Investment: $720 million
Description: Jefferson Health is constructing the Thomas Jefferson Specialty Care Pavilion, which will consolidate various clinical care units in one facility. The 19-story building will include examination rooms, operating rooms, imaging and lab services, a pharmacy, and underground parking, and will be capped with a rooftop garden. The project is part of Phase 3 of the multi-block East Market development.
Biomedical research building at 9th & Locust Streets

30. Caroline Kimmel Biomedical Research Building - Thomas Jefferson University
Developer: Thomas Jefferson University
Location: 9th and Locust Streets
Type: Health Care/Education
Size: 225,000 sf
Start Date: TBD
Completion Date: TBD
Status: Proposed
Investment: $300 million

Description: Thomas Jefferson University received its second largest donation ever, a $78 million gift from Sidney and Caroline Kimmel, which will be used for a new building to expand the biomedical research capacity at its Center City campus. The 12-story Caroline Kimmel Biomedical Research Building will create space for 56 additional National Institutes of Health funded researchers and an additional 250 to 400 jobs at Jefferson.

Traditional office space, 922,173 sf vacant (17.7%)
Rents holding up; Most deferring major decisions
By-product of the pandemic

CENTER CITY OFFICE MARKET TRENDS, 2020

<table>
<thead>
<tr>
<th>SUBMARKET</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
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<tbody>
<tr>
<td></td>
<td>TOTAL ASKING RENT (PRICE/SF)</td>
<td>TOTAL VACANCY RATE</td>
<td>NET ABSORPTION (SF)</td>
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<tr>
<td>East Market</td>
<td>$31.38</td>
<td>15.6%</td>
<td>-37,416</td>
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<tr>
<td>Independence Square</td>
<td>$31.96</td>
<td>17.1%</td>
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<td>Walnut/South Broad</td>
<td>$30.75</td>
<td>20.2%</td>
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<tr>
<td>West Market</td>
<td>$26.31</td>
<td>14.2%</td>
<td>-98,113</td>
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<tr>
<td>CENTER CITY</td>
<td>$34.53</td>
<td>15.4%</td>
<td>-556,536</td>
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Source: Firstmark Q2 2021 Philadelphia Office Market Report
Will traditional office demand bounce back?

Demand for proposed project at 21st & Market Streets?

47. 21st and Market Street
Developer: Brandywine Realty Trust
Location: 21st and Market
Type: Residential/Mixed Use
Size: 553,000 sf
Residential Units: 147
Start Date: TBD
Completion Date: TBD
Status: Proposed
Investment: Not Available
Description: Brandywine Realty Trust is planning a 23-story mixed-use tower that will include 325,000 square feet of office space, 147 residential units and shopping and dining on the first and second floors.
Parkway: 2222 Market, Morgan Lewis

Almost topped out
Lateral move from 1701 Market
At end: CPDC’s office attraction effort
New website: Phillyworks.com

Will we see full restoration of pedestrian vitality?
Do the 40 new retailers who opened in Center City in 2020...

the 29 more opened during the first half of 2021 & 23 more will open by year end tell us something?
About confidence in the future?

As our panelists talk about their projects & in Q&A, we hope to answer some of those questions.

**Panelists:**
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- **Clayton Mitchell**, Senior Vice President, Real Estate and Facilities, Thomas Jefferson University
- **Leo Addimando**, Managing Partner, Alterra Property Group
- **Paige Jaffe**, Managing Director, JLL
Aimed at New York City metropolitan area; informing companies & individuals about everything downtown Philadelphia has to offer both as a place of business & a place to live.

Highlighting our region's much shorter commute times & the ability to achieve a far better life/work balance, the campaign emphasizes how Center City companies benefit from all the advantages of doing business in a dense, accessible downtown at a fraction of the cost of other peer cities.

From high-performance office & co-working space, to a creative and highly educated workforce, to a vibrant downtown & unparalleled connectivity to the region and the world, campaign emphasize how Philly Works for businesses & their employees.

The goal is not to get firms to leave New York City, but rather to consider Philadelphia as a location for a remote office or co-working space.
Quality of workspace & amenities

In Philadelphia, it’s easy to find workspaces to complement your own workplaces. With the fastest-growing share of millenials among the 25 largest cities, there’s plenty of space for you to expand your team. And with close-by cafes and offices surrounded by amenities, your employees will have a plan to not only work but to live. Work Hard for your workspace wants employees working together as one, with a refreshing change of space.

Learn more: PHILLYWORKS.COM

Better work/life balance

Come for the 9 to 5. Stay as long as you like. Philadelphia is a city that other cities are envious of. Get down to work in next-generation office spaces or converted industrial lofts, then play in over 1,300 restaurants, choirs, and arts and cultural centers right downtown. Or get in a run or walk along the river. Philly’s downtown doesn’t stop when the workday ends—and with so many top advantages and locations nearby, neither does the talent.

Learn more: PHILLYWORKS.COM
Shorter commute times

Manhattan = 50 minutes; Philadelphia = 36 minutes
44% commuting less than 30 minutes
39% of Center City residents walk to work

Well Connected to the Surrounding Region

Average commute is only 36 mins;
44% of commutes are less than 30 minutes.
39% of Center City residents walk to work.
**Initial media campaign: NJ transit; social media: Wharton magazine**

**Funded by CPDC**

<table>
<thead>
<tr>
<th>Media Type</th>
<th>Description</th>
<th>OCTOBER</th>
<th>NOVEMBER</th>
<th>TOTAL</th>
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<tr>
<td>New Jersey Transit</td>
<td>Creative Due 9/10</td>
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<td>Rail Station 2-Sheets</td>
<td>$7,353 booked, Print Deadline 7/23, Creative Deadline 9/1</td>
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<td>Wharton Magazine</td>
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<td>Digital Display - AdTheorent</td>
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**MEDIA GRAND TOTAL** $50,000
## NYC Business Attraction 2021 Media Plan

<table>
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<th>Month</th>
<th>September</th>
<th>October</th>
<th>November</th>
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<tr>
<td>Competitively selected the Center City advertising agency Aloysius Butler &amp; Clark (AB&amp;C)</td>
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**Center City District**

**PHILLY WORKS FOR OFFICE & CULTURE**

Philadelphia has always been a city that loves its work. That doesn’t stop when it comes to business. With more amenities for much more affordable than Boston, D.C. or New York. It’s easy to respond to the high-performance demands of a diverse, fast-paced workforce. From trendy neighborhoods, here, work and live, to just across the highway, they’re neighborhoods, close to access to getting what you need for your employees need from site, life and business. Phil works.

SEE HOW PHILLY CAN WORK FOR YOU AT [PHILLYWORKS.COM](http://PHILLYWORKS.COM)