

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.

## 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

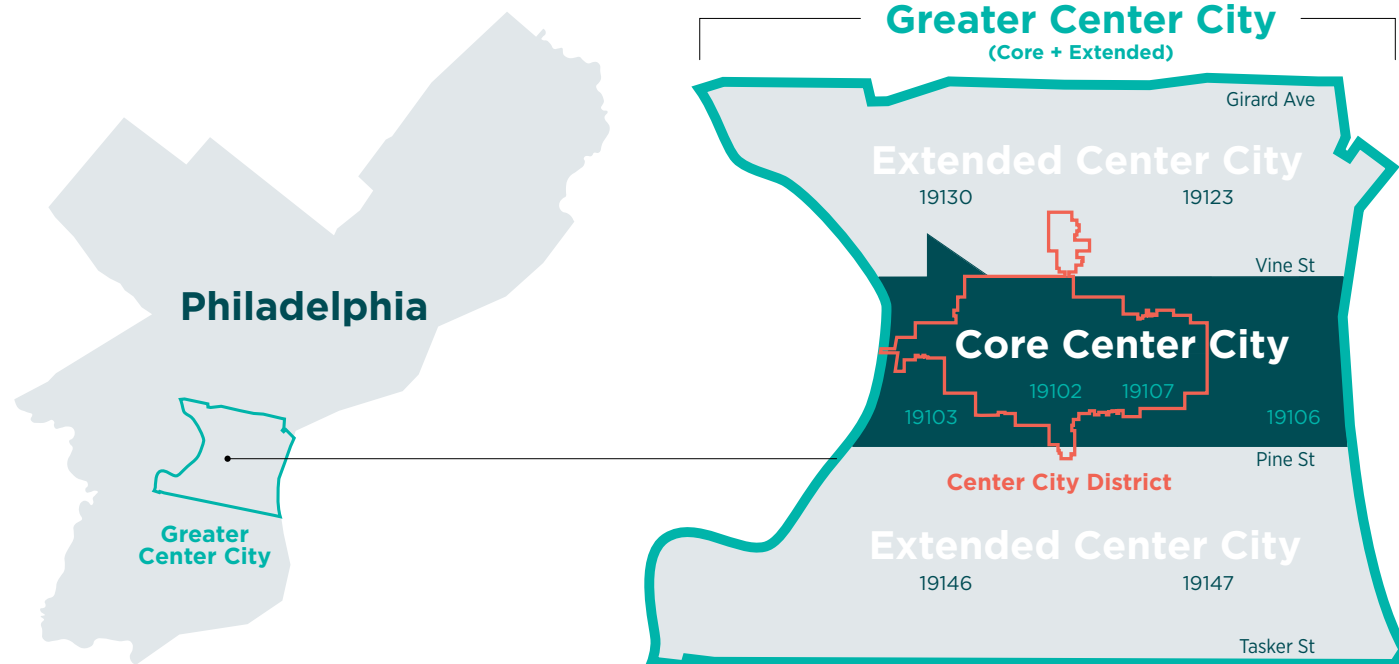


**Service Providers**  
Newly Opened: 11  
Coming Soon: 3

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





## 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.

### 530 Retail Stores (28%)

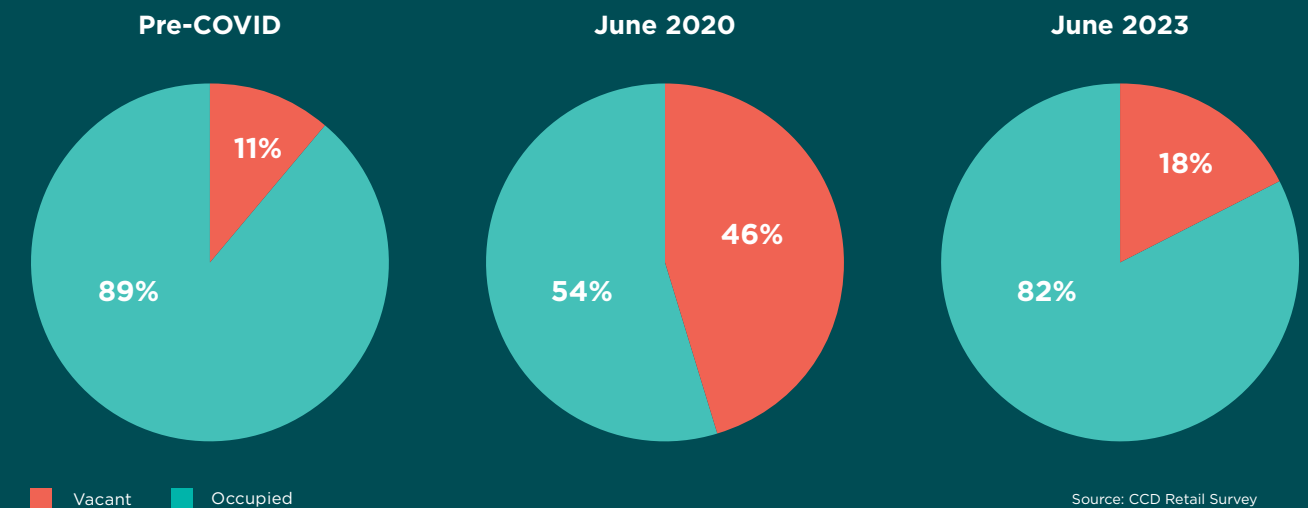
- 134 Apparel
- 116 Jewelry
- 68 Food & Drink
- 44 Beauty, Health & Fitness
- 37 Entertainment, Arts & Recreation
- 24 Home & Garden
- 22 Electronics
- 18 General Merchandise
- 17 Optical
- 11 Art & Hobbies
- 5 Music, Video & Video Games
- 5 Office Supplies & Stationery
- 3 Bookstores
- 26 Other

### 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

### 331 Vacancies (18%)

Figure 1: Center City Storefront Operating Status



Source: CCD Retail Survey

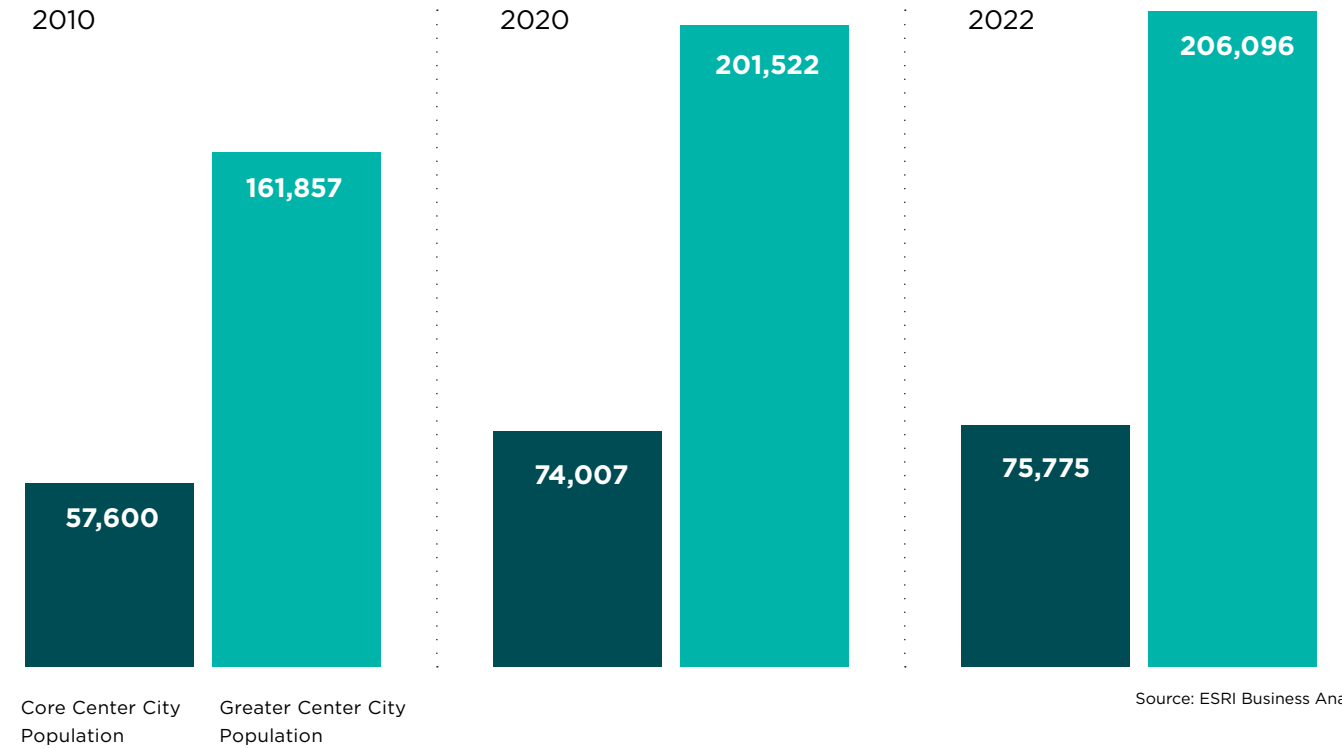
# 2023 CCD Storefront Openings

## RECENT OPENINGS

<b>Food &amp; Beverage</b>	The Juice Pod Center City 101 Unlocked (Undisclosed Location)	General's Jerky Reading Terminal Market	iFix Gadgets 1625 Chestnut Street	Mulherin's 1175 Ludlow Street
	Andra Hem 218 S. 16th Street	Glossier 1716 Walnut Street	Old City Art + Framing The Shops at Liberty Place	Salt + Vinegar Dilworth Park
	Bagels & Co. 1526 Sansom Street	Good Fellaz Cigars The Shops at Liberty Place	Red Rum 601 Walnut Street	Schulson Collective Restaurant Concept 1911 Walnut Street
	Bankroll Club 1910 Chestnut Street	Gorjana 1630 Walnut Street	Rescue Spa* 1811 Walnut Street	Starr Restaurant 1805 Walnut Street
	Beck's Cajun* Reading Terminal Market	J. Crew Factory 1535 Chestnut Street	Restore Hyper Wellness 1229 Chestnut Street	Taylor Chip 1807 Chestnut Street
	Boba King 1232 Chestnut Street	Jap's Dickies 1226 Chestnut Street	Sugared & Bronzed 1733 Chestnut Street	Tapster 110 S. 16th Street
	Bolo 2025 Sansom Street	Joybird 1507 Walnut Street	Welnox 1512 Sansom Street	Vinyl Bar & Lounge 215 S. 15th Street
	Bower Café 1213 Walnut Street	Kilwins 143 S. 13th Street	Veterinary Emergency Group 1213 Walnut Street	<b>Retailers</b>
	Broth Thyme 102 S. 13th Street	La'vanter Boutique The Shops at Liberty Place	YogaSix 1701 Walnut Street	Alo Yoga 1608 Walnut Street
	Buena Onda 114 S. 20th Street	Lux Delites The Shops at Liberty Place	<b>COMING SOON</b>	Aritzia 1725 Walnut Street
	Buena Onda The Concourse at Comcast Center	Madewell* 1729 Walnut Street	<b>Food &amp; Beverage</b>	Figs 1625 Walnut Street
	Butcher's Pantry Reading Terminal Market	Mejuri 1525 Walnut Street	1831 Café 1831 Chestnut Street	Je Suis Jolie* 1824 Chestnut Street
	Darling Jack's Tavern 104 S. 13th Street	Outdoor Voices 1723 Walnut Street	Arctic Scoop 1625 Chestnut Street	Tempur-Pedic 1713 Walnut Street
	Di Bruno Bros. Focacceria The Concourse at Comcast Center	Pretty On You 1726 Sansom Street	Barcade 1326 Chestnut St	<b>Service Providers</b>
	Garces Trading Company at Kimmel 300 S. Broad Street	Saatva 1712 Walnut Street	Boqueria 1608 Sansom Street	Equinox 1911 Walnut Street
	The Hayes 1123 Walnut Street	The Spot at the Fashion District Fashion District	Chotto Matte 1134 Sansom Street	Laser Away 1503 Walnut Street
	Kismet Bagels 1700 Sansom Street	ThirdLove 1611 Walnut Street	Destination Dogs 1900 Market Street	Puttshack The Shops at Liberty Place
	Kismet Bialys Reading Terminal Market	Unique V Fashion District	Dizengoff* 1625 Sansom Street	
	Kook Burger & Bar 2102 Market Street	Wayne Edwards Workshop* 1724 Sansom Street	Flight Club Darts 1411 Walnut Street	
	Kura Sushi 1721 Chestnut Street	<b>Service Providers</b>	Goldie* 128 Sansom Street	
		4ever Young 1216 Walnut Street	Insomnia Cookies 1 S. Broad Street	
		Aniquelao Shoe Shine The Shops at Liberty Place	Loch Bar 301 S. Broad Street	

\*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.

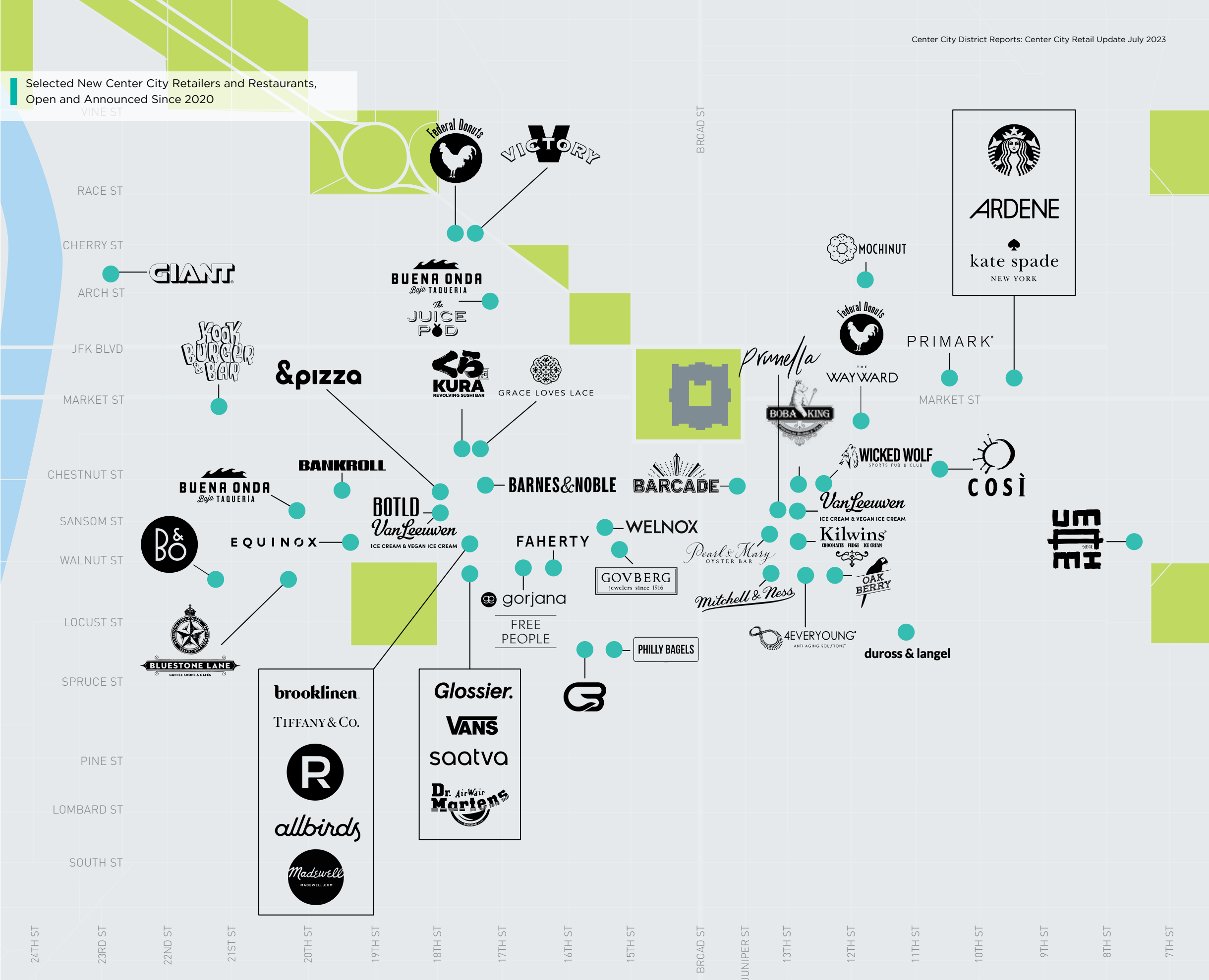
### Demographics & Population

- 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.



## 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.

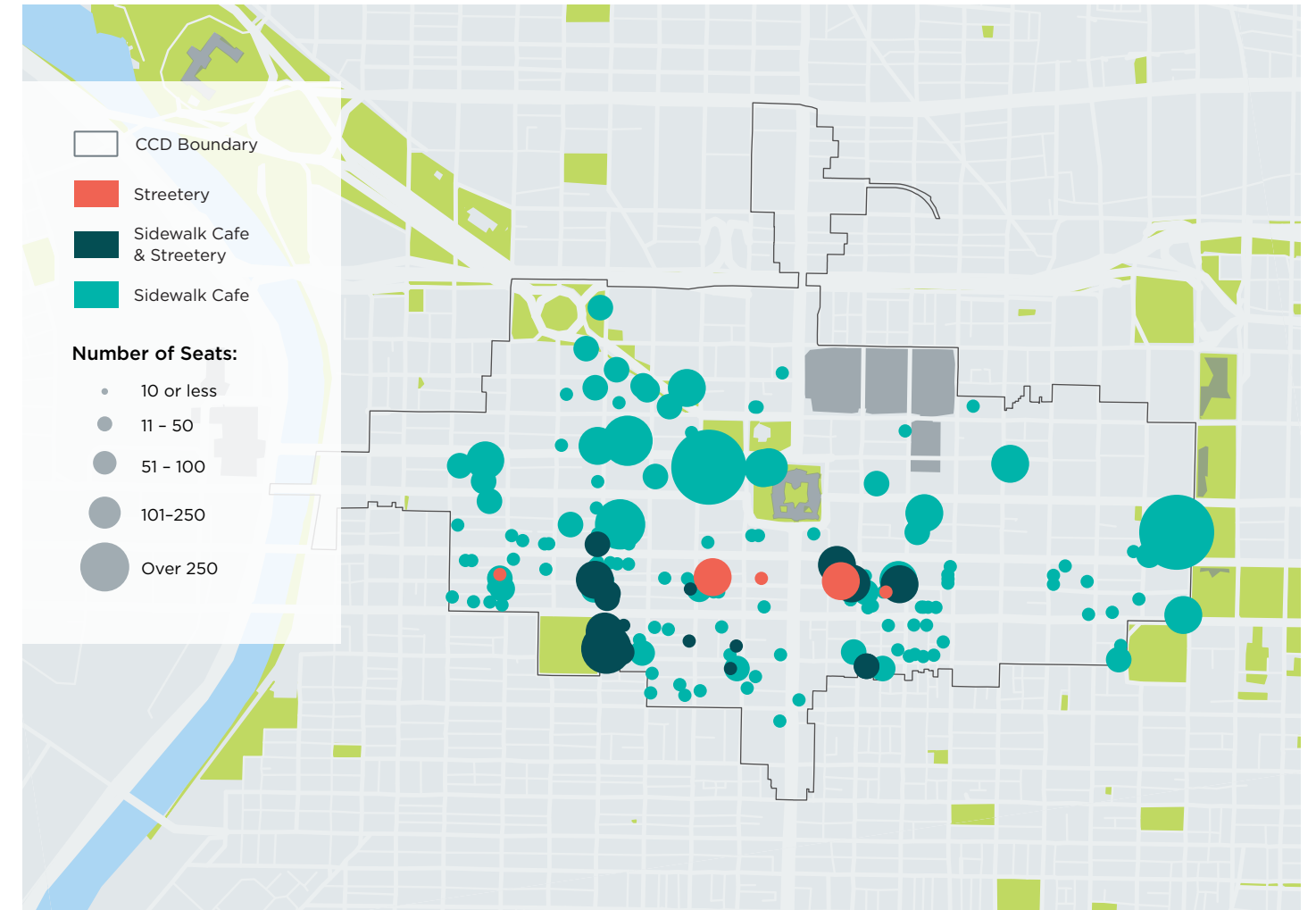
While the City of Philadelphia is in the process of reviewing its streeteries regulations and expects these to continue in a modified form, there has been an almost 14% increase in

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.

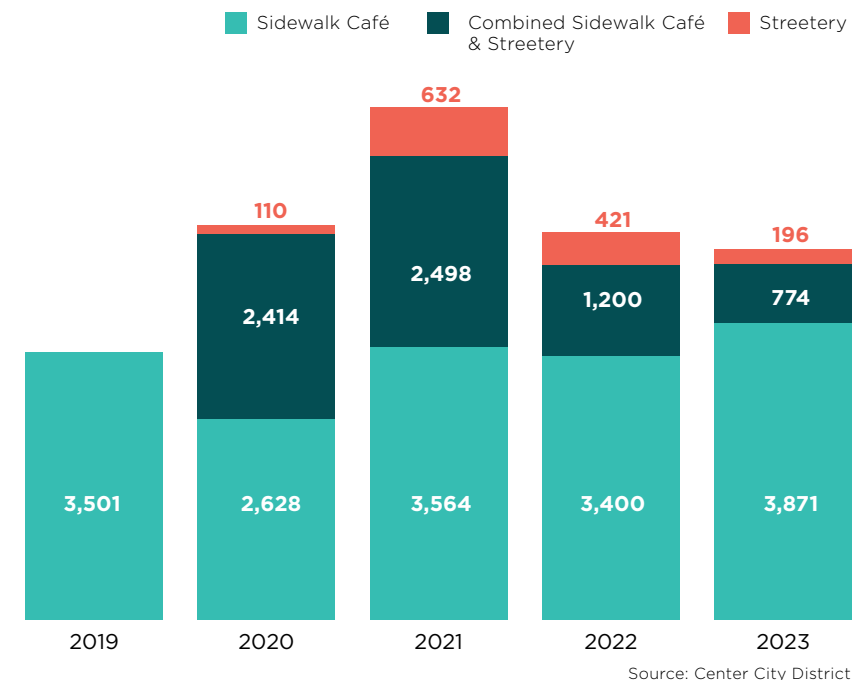


Figure 3: Outdoor Seating in Center City



Source: Center City District

Figure 4: Outdoor Seating in Center City by Type



Source: Center City District

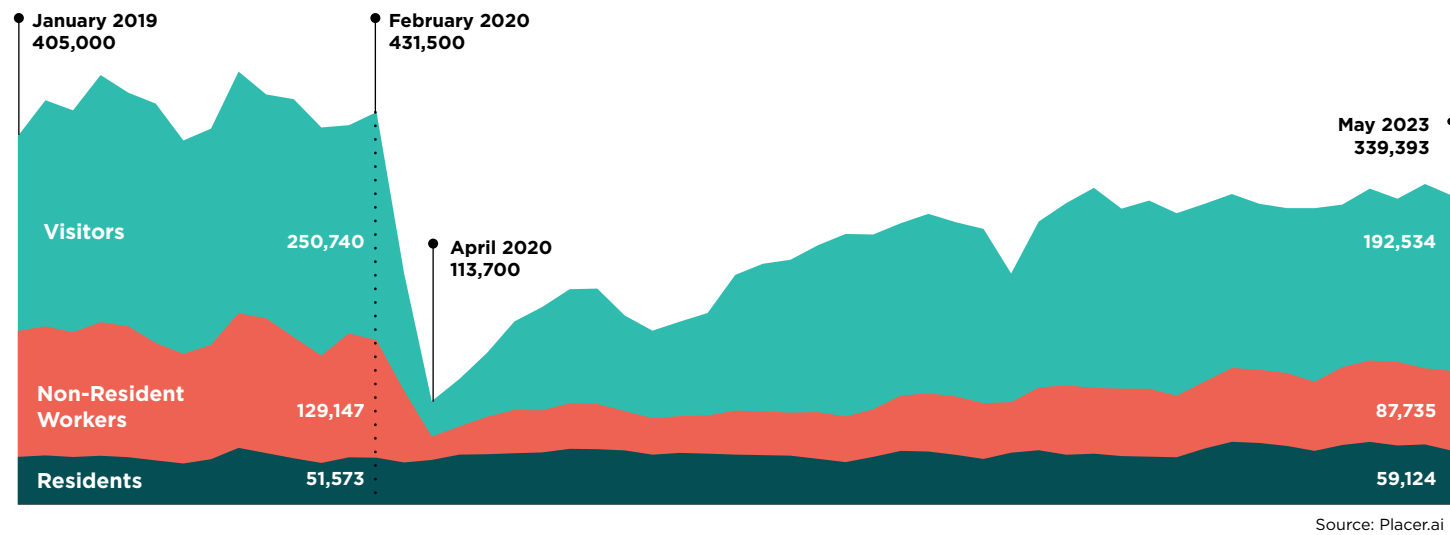
Outdoor seating has increased by 38% across Center City since 2019.

## 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.

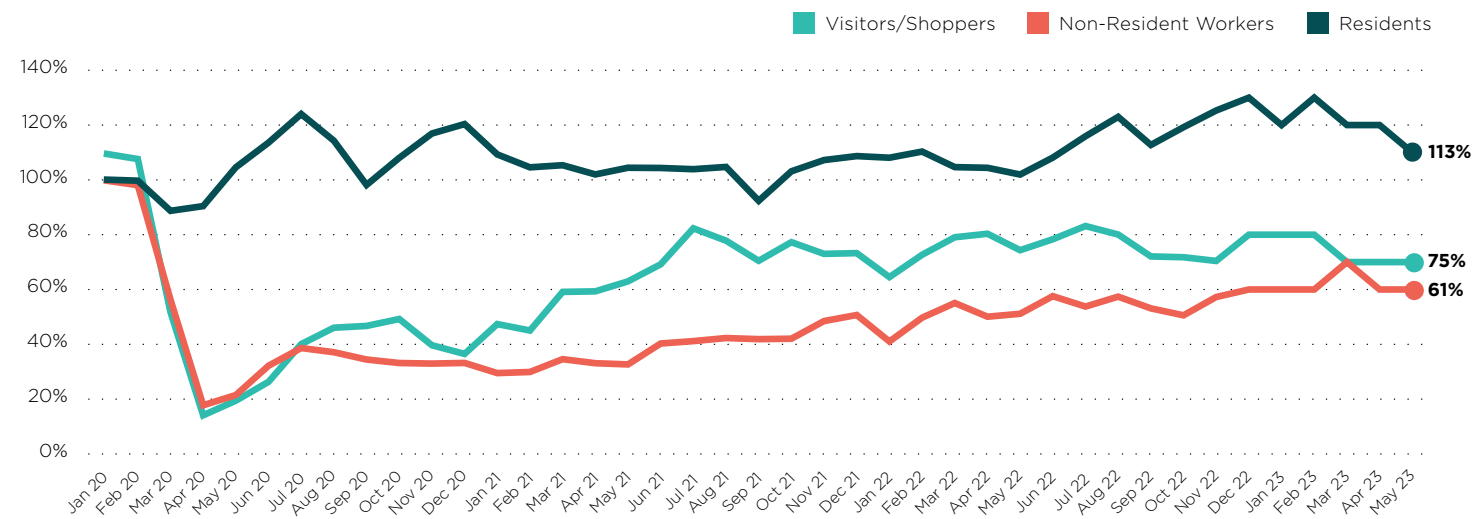
Colleges and universities have fully resumed in-person learning over the past year, as well as the return of conventions, cultural attractions and international travel bringing in visitors from outside of the region. The percentage of non-resident workers saw a considerable jump from 2022 to 2023, from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

Figure 5: Average Daily Population in Center City



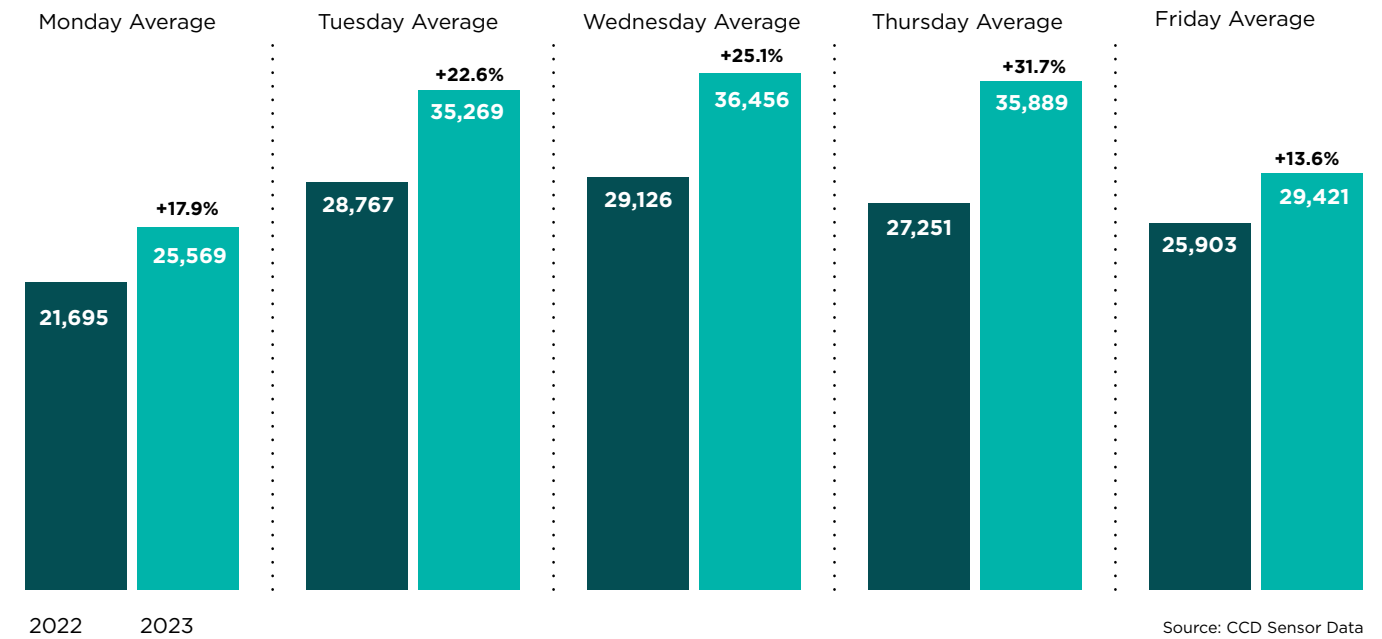
Source: Placer.ai

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

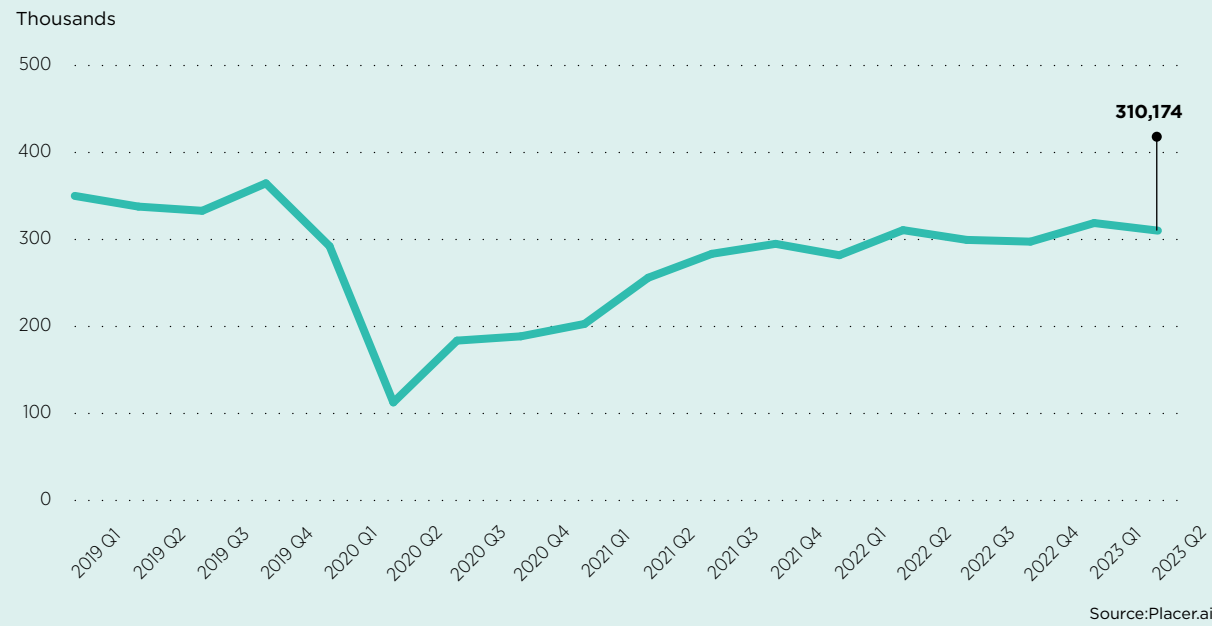


Source: CCD Sensor Data

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

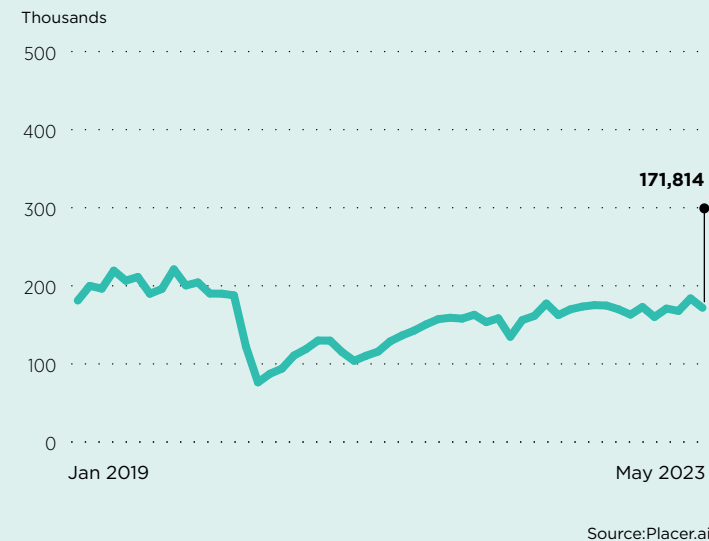


Average working weekday pedestrian volumes (Monday through Friday, 8 a.m. to 6 p.m.) currently stand at 68% of May 2019 levels as the daytime office worker population steadily return to downtown. Center City continues to serve as a premier recreational destination within the region, with weekday evening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

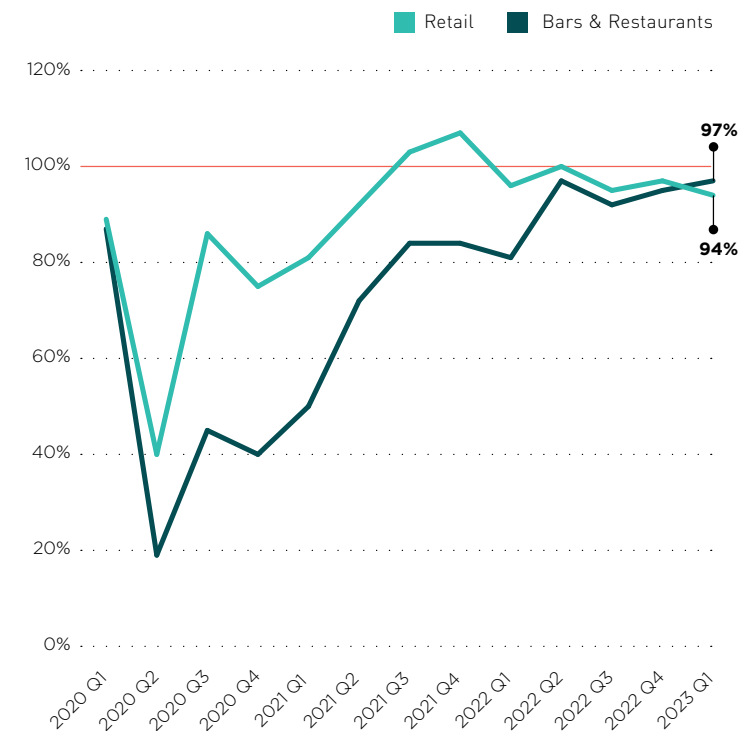
The gradual return of workers, tourists and convention attendees is apparent in sales tax data provided by the Commonwealth of Pennsylvania. Using quarterly data from 2019 as the baseline, taxable retail sales in core Center City (see page 2 for boundaries) during the first quarter of 2023 are at 94%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

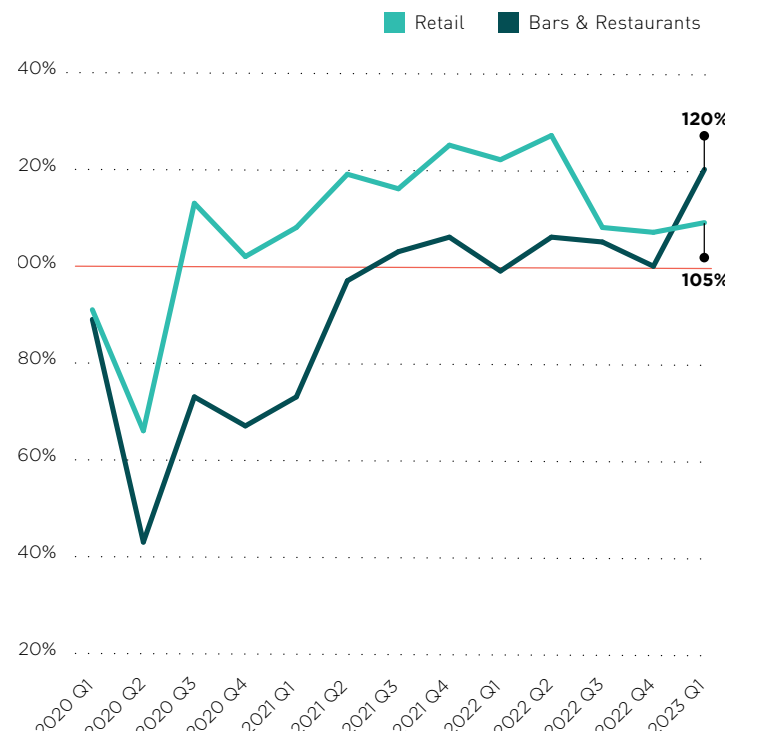
Many businesses in the extended neighborhoods that relied on strong three-day per week demand, are now benefiting from seven-day per week demand from those working from home. As larger numbers of employees return to Center City, and more residents move into the urban core, we can expect an equilibrium 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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