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www.CenterCityPhila.org

Center City Reports: **Retail**

A publication of the
Central Philadelphia
Development Corporation
and the Center City District
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As the national economy continues to improve, the Center City retail market, which weathered the recession with less than 12% vacancy, has grown stronger and more diversified. Supported by strong worker, resident, and visitor demographics in a dense, compact, and walkable downtown, Center City continues to attract a broader mix of retail.

J.B. Abbott

A Diverse Group of Residents and Workers

Center City retailers benefit from a downtown residential population approaching 180,000, supported by more than 460 new residential units brought to the market in 2012 and an additional 2,500 units currently under construction. The average household income in the core of Center City is $93,126. Between Girard and Tasker Streets, the average household income is $74,587.

Greater Center City also has a very highly educated population. More than 73% of residents 25 and older hold at least a bachelor's degree, and more than 41% hold a graduate or professional degree.

Center City Philadelphia concentrates 260,000 jobs into a compact, walkable space, producing job densities of 129 jobs per acre as compared to less than 1 job per acre in the surrounding suburbs. Residential densities average 41.3 persons per acre and peak at 90 persons per acre around Rittenhouse Square, as compared to regional

Within one mile of City Hall, Center City has **more than 8.5 times** the number of workers as King of Prussia Mall and **more than 18.5 times** the number of workers as Cherry Hill Mall.

Residents and Workers Within a One-Mile Radius

		Worker Age			Earnings		
Retail Area	Workers	29 or Younger	30-54	55 or Older	$1,250/mo or Less	$1,251-$3,333/mo	More than $3,333 per Month
Center City	258,404	21.1%	60.0%	18.9%	15.6%	27.8%	56.6%
Cherry Hill Mall	13,932	31.0%	50.5%	18.5%	36.3%	28.2%	35.5%
King of Prussia Mall	30,089	29.8%	54.8%	15.3%	23.9%	25.4%	50.6%

Source: OnTheMap - 2010, Local Employment Dynamics Partnership - U.S. Census Bureau

averages of 2.3 persons per acre. Within one mile of City Hall, Center City has more than 8.5 times the number of workers as King of Prussia Mall and more than 18.5 times the number of workers as Cherry Hill Mall. Further, Center City captures a larger percentage of higher wage workers than either Cherry Hill Mall or King of Prussia Mall: 56.6% of workers within one mile of City Hall earn more than $3,333 in wages per month, compared to only 50.6% within a mile of King of Prussia Mall and 35.5% of workers within a mile of Cherry Hill Mall. Comparably, workers employed within one mile of these suburban malls earn less than workers in Center City.

Retail Demand Grows Stronger

The high wage jobs available in the office district and the large number of tourists who have increasingly come to view Philadelphia as a travel destination of choice are responsible for driving a large portion of demand within the central business district. Within one mile of City Hall, CCD estimates that the total demand for shoppers' goods is more than $750 million. Approximately 46% of this demand is driven by tourists, 25% by office workers, and 24% by residents within this area.

Retail Demand for Shoppers' Goods 2012

	Radius from City Hall		
	5-Minute Walk (1/4 Mile)	15-Minute Walk (1/2 Mile)	30-Minute Walk (1 Mile)
Job Market			
Office, Education, & Healthcare Workers	49,793	122,155	179,563
Other Workers	17,393	45,295	73,075
Total Workers	67,186	167,450	252,638
Residential Market			
Owners	2,933	9,848	34,480
Renters	11,864	26,328	58,613
Population	14,797	36,176	93,093
Visitor Market			
Hotel Rooms	4,786	8,673	9,741
Overnight Visitors	1,257,761	2,279,264	2,559,935
Dollars of Demand for Shoppers' Goods			
Office Workers	$52,979,752	$129,972,920	$191,055,032
Other Workers	$9,200,897	$23,961,055	$38,656,675
Residents	$28,410,240	$69,457,920	$178,738,560
Overnight Visitors	$168,539,947	$305,421,430	$343,031,263
Total	$259,130,836	$528,813,325	$751,481,530

Job Market Source: OnTheMap, Local Employment Dynamics Partnership, U.S. Census Bureau; Residential Market Source: American Community Survey 2006-2010 5-year Estimates, U.S. Census Bureau; Visitor Market Source: Greater Philadelphia Tourism & Marketing Corporation.

Dollars of demand for each market segment are CCD calculations based on retail industry standards.

Retail Fact Sheet

	Core Center City	Greater Center City	City of Philadelphia	Philadelphia MSA
Population	62,449	173,284	1,526,006	5,965,343
Households	37,990	88,618	599,736	2,260,312
Average Household Size	1.64	1.96	2.45	2.56

Source: 2010 Census, U.S. Census Bureau

Age				
Under 5 Years	2.7%	4.8%	6.6%	6.2%
5 - 9 Years	1.4%	3.1%	6.0%	6.3%
10 - 14 Years	0.8%	2.6%	5.9%	6.6%
15 - 19 Years	2.6%	3.9%	7.8%	7.3%
20 - 24 Years	13.1%	11.2%	9.6%	7.1%
25 - 34 Years	35.0%	28.7%	16.1%	12.9%
35 - 44 Years	11.6%	13.0%	12.4%	13.3%
45 - 54 Years	8.8%	10.8%	12.9%	15.3%
55 - 64 Years	9.8%	9.9%	10.5%	11.9%
65+ Years	14.3%	12.0%	12.1%	13.2%

Source: 2010 Census, U.S. Census Bureau

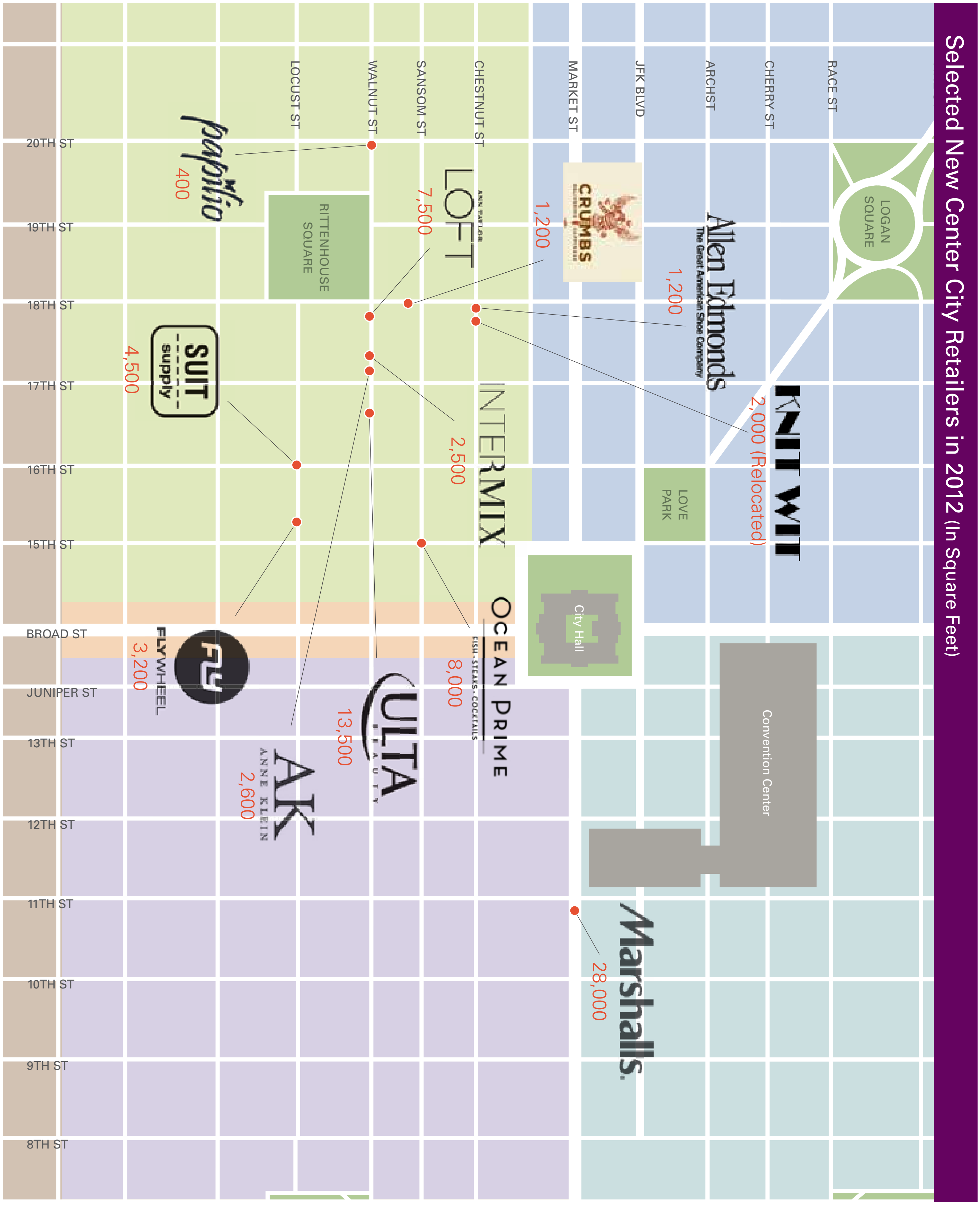
Income (2010 Inflation-Adjusted Dollars)				
Aggregate Income	$2,896,581,400	$5,986,106,100	$29,330,682,200	$179,433,122,900
Average Household Income	$93,126	$74,587	$51,055	$80,944
Percent with Income Below $35,000	32.3%	39.5%	48.6%	29.7%
Percent with Income $35,000-$50,000	13.1%	12.3%	14.0%	12.3%
Percent with Income $50,000-$75,000	15.5%	15.6%	16.2%	17.5%
Percent with Income $75,000-$100,000	9.5%	9.5%	9.3%	13.2%
Percent with Income $100,000-$150,000	13.9%	11.3%	7.6%	15.3%
Percent with Income $150,000-$200,000	6.4%	5.6%	2.4%	6.2%
Percent with Income Above $200,000	9.3%	6.3%	1.9%	5.7%

Source: 2006-2010 American Community Survey 5-year Estimates, U.S. Census Bureau

Highest Educational Attainment (Age 25+)				
High School	8.9%	19.0%	35.6%	31.5%
Some College or Associate's Degree	12.0%	15.2%	21.6%	23.8%
Bachelor's Degree	32.0%	25.3%	12.9%	19.6%
Graduate/Professional Degree	41.2%	26.9%	9.3%	12.7%

Source: 2006-2010 American Community Survey 5-year Estimates, U.S. Census Bureau

Retail

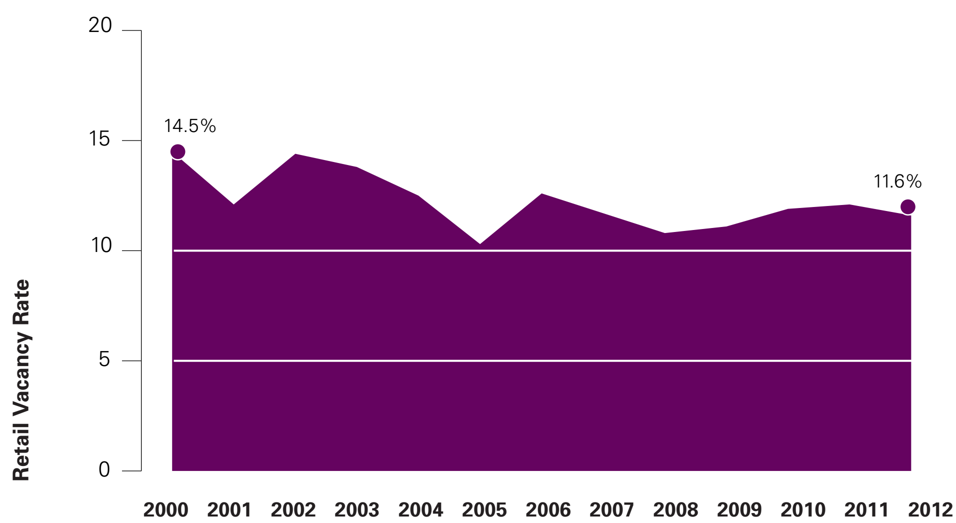


Source: Philadelphia Retail Marketing Alliance

Supported by favorable demographics and demand, Center City's retail vacancy rate declined slightly between 2011 and 2012, from 12.1% to 11.6%. Several large new retailers also chose to locate stores in Center City in 2012, including Marshalls (1046 Market Street – 28,000 square feet), Ulta (1619 Walnut Street – 13,500 square feet), Ocean Prime (1500 Sansom Street – 8,000 square feet), and Ann Taylor Loft (1729 Walnut Street – 7,500 square feet).

Finally, the average pedestrian traffic volume between 11 a.m. and 2 p.m. has increased at all 14 locations where CCD uses cameras to count pedestrians. The largest increase occurred at 13th & Walnut, where average pedestrian traffic

Retail Vacancy Rate



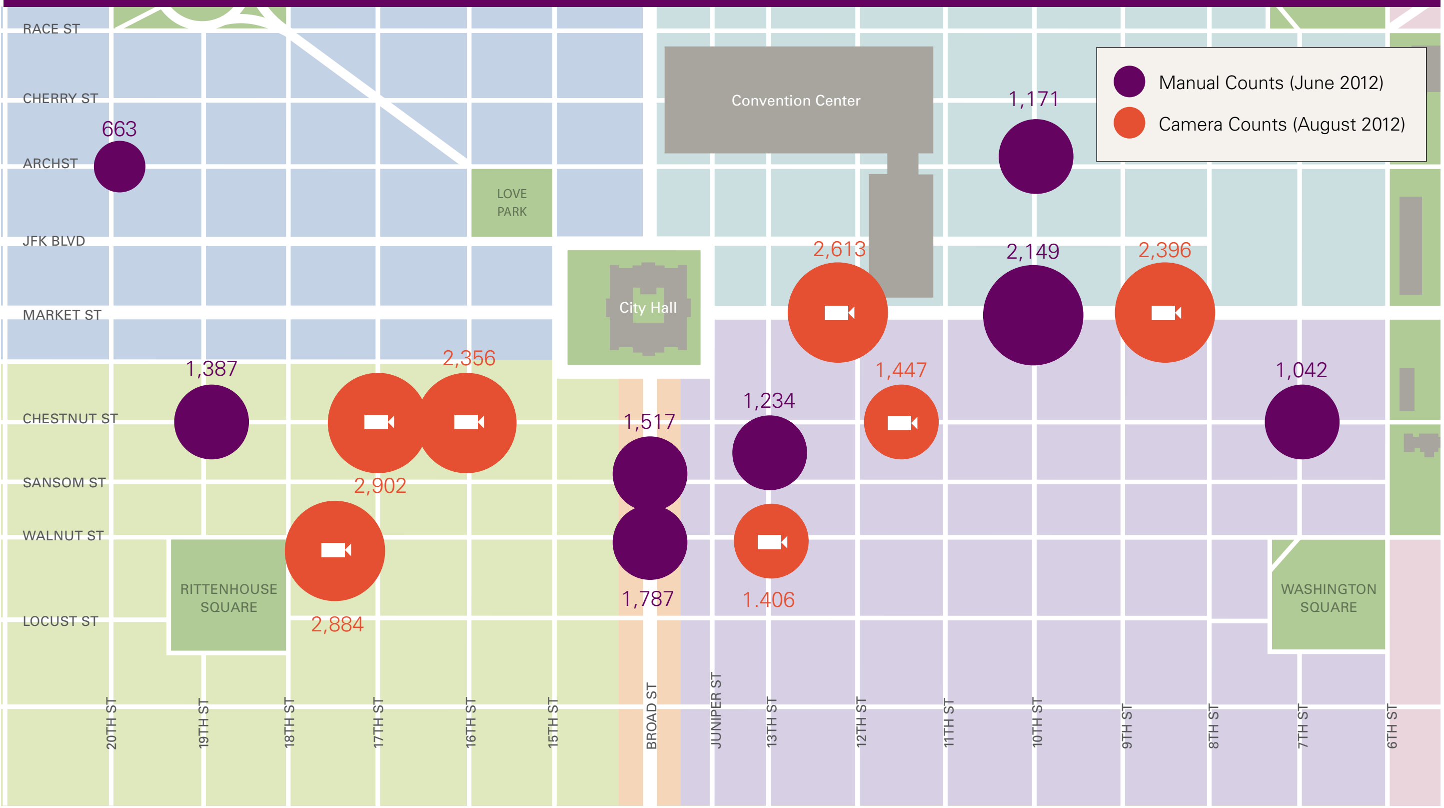
Retail Database – Center City District, 2012

There is tremendous opportunity. **Any business would be profitable.** The demographics are perfect.

Vera Taylor
Director of Stores
South Moon Under

Retail

Center City Average Lunchtime Pedestrian Activity: 11am–2pm



Manual counts were conducted at each mid-block location in 15-minute intervals for three consecutive hours and represent a five-weekday average. Camera counts represent average weekday activity for the month of August 2012.

between 2011 and 2012 increased approximately 48%. On the 1000 Block of Market and at 12th & Market, 16th & Chestnut, 17th & Chestnut, Market between 8th & 9th, and Walnut between 17th & 18th, retailers can expect to see more than 2,000 pedestrians over the course of lunchtime.

As the Center City housing market grows stronger and businesses continue to locate downtown in order to attract young, highly educated workers, Center City retailers are well positioned for ongoing success.

Philadelphia Retail Accolades:

10 Best Cities for Shopping
CNBC 2012

25 Best Cities for Shopping
Lucky 2012

The Best U.S. Cities for Bargain Shopping
Forbes, 2012

The 10 Shopping Cities on the Rise
Shermans Travel 2012

The Best Shopping Cities in the U.S.
Forbes, 2010