



Retail

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Since 1990 Center City's retail offerings have evolved from shops that catered mostly to 9-to-5 workers to a vibrant, more diversified mix that also serves regional residents, Center City dwellers and visitors of all ages and incomes 24 hours a day, seven days a week.

The total number of occupied retail premises has grown to more than 2,500 establishments and, even in this challenging economy, Center City's retail vacancy rate rose by less than 1%, from 11.1% in August 2009 to 11.9% in August 2010, well below a recent high of 14.5% in 2000.

In 1992, only 65 fine-dining restaurants operated between Vine and Pine Streets and Front and 24th Streets and most were concentrated around Rittenhouse Square. By 2005, the number had climbed to 185, and today there are 278 fine-dining restaurants, a 328% increase since 1992. With the addition of the newly counted South Street corridor, the number rises to 305 establishments.

Looking at all types of establishments that serve food, CCD's latest count in August 2010 found 688 restaurants, bakeries and cafés between Vine and Pine Streets, a 31% increase over 2005. Adding the South Street retail area, the number rises to 754.

Forty-eight new food-related businesses opened in Center City in the 12-month period ending August 2010, including Michael Schulson's Sampan, Stephen Starr's El Rey, Barbuzzo, Philadelphia Cupcake, Varga Bar, Zama, Zavino and 500 Degrees. Taking into account other businesses that closed, Center City netted eight new food-related businesses in 2010.

Outdoor cafes, non-existent until they were authorized by executive order in 1995 by then-Mayor Ed Rendell, now number 213.

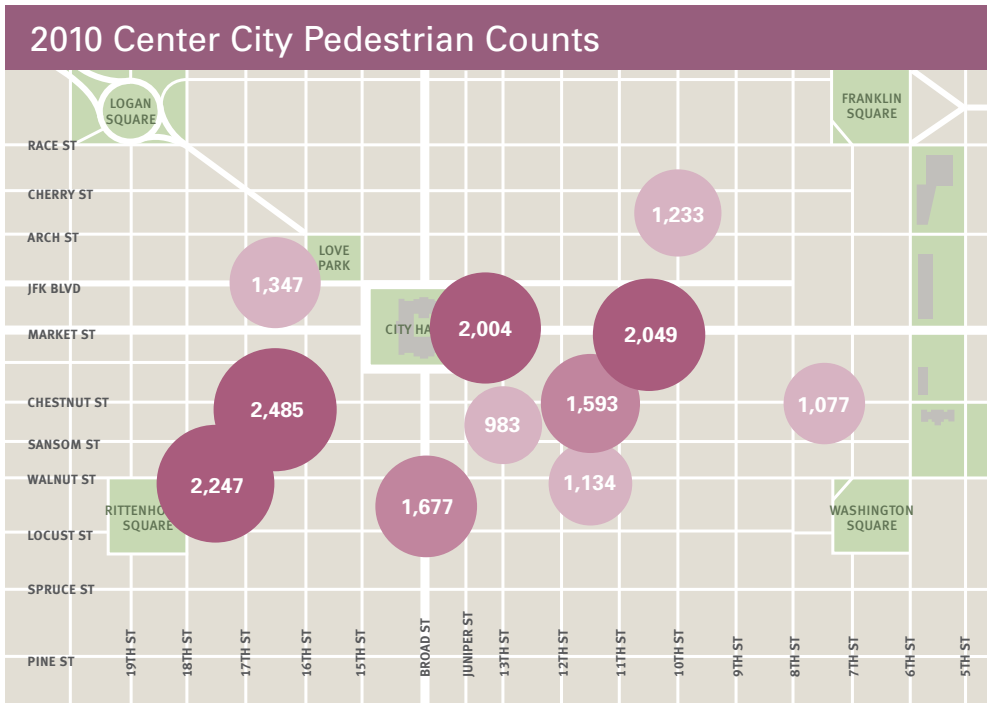
The number of apparel and shoe stores in August 2010 was 202, representing a small net loss of eight stores from 2009. When the South Street corridor is added, the

total is 279. Included in the apparel openings are the national chains Esprit and The North Face, the Philadelphia-based brand Charlie's Jeans, and New York-based Brooklyn Industries. Most prominently, an Apple store opened on West Walnut Street.

Continuing its effort to fill the gaps in Center City's retail offerings is the two-year-old Philadelphia Retail Marketing Alliance, a partnership between the CCD, the Philadelphia Convention & Visitors Bureau, the Greater Philadelphia Tourism Marketing Corporation, the Commerce Department of the City of Philadelphia, the Philadelphia Industrial Development Corporation and major downtown retail brokers. Together, this partnership has raised the visibility of Center City among national retailers at retail trade shows.

More than 30 national articles and dozens of local stories have been written about the success of Center City retail. The Marketing Alliance also won the Pinnacle Award from the International Downtown Association, acknowledging the success of its website, PhiladelphiaRetail.com.

Physically, the top priorities for redevelopment remain East Market and East Chestnut Streets, where several pending projects could have a transformative effect on these lagging areas of Center City.



Source: CCD, 2009

The recently opened 14,000-square-foot Apple store can expect over

2,000 pedestrians to pass its front door per hour during the business day.

Retail Demands for Shoppers' Goods

	Radius from City Hall		
	1/4 Mile	1/2 Mile	1 Mile
Worker Market			
Office Square Feet	11,506,247	25,643,563	36,270,370
Office Workers	51,202	114,113	161,402
Non-Office Workers	15,776	35,160	49,730
Total Workers	66,978	149,273	211,132
Residential Market			
Owners	6,610	18,107	49,369
Renters	4,872	14,080	33,300
Population	11,482	32,187	82,669
Visitor Market			
Hotel Rooms	3,223	7,316	8,111
Annual Hotel Visitors	415,542	943,254	1,005,725
Dollars of Demand			
Office Workers	\$54,479,000	\$121,416,000	\$171,732,000
Non-Office Workers	\$8,345,000	\$18,599,000	\$26,307,000
Residents	\$22,045,000	\$61,799,000	\$158,724,000
Overnight Visitors	\$65,683,000	\$126,396,000	\$134,767,000
Total Dollars of Demand	\$150,552,000	\$328,210,000	\$491,530,000

The total demand for shoppers' goods is

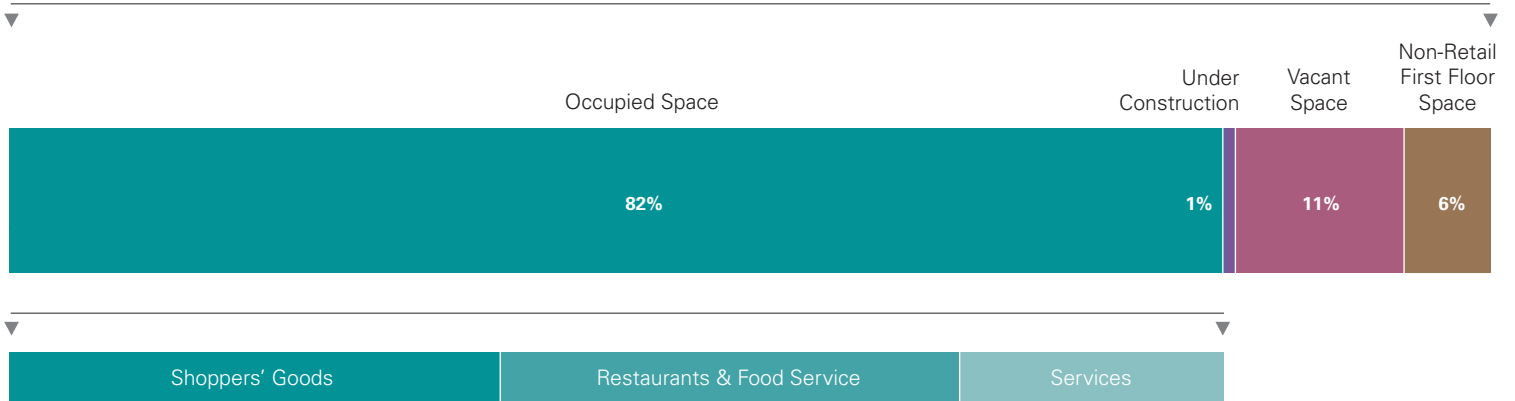
\$491 million

within a 30-minute walk of City Hall.

Source: The number of office workers is derived from the amount of occupied square feet of office space within the defined geographies and standard industry estimates of workers per square foot. All other worker numbers are based on 2006 Census data. Residential population is based on Census and CCD counts of new residential units. Visitor population is extrapolated from occupied hotel room data from PKF Consulting, as well as 2007 visitor data from Tourism Economics/Longwoods International and GPTMC. Dollars of demand for each market segment are CCD calculations based on retail industry standards.

Retail Space Analysis, 2010, Vine Street to South Street

Total Potential Retail Spaces: 3,257



Shoppers' Goods

	Establishments	% of Occupied Space
Clothing	212	7%
Jewelry	168	5%
Food, Groceries	152	5%
Art	140	4%
Home Garden	112	3%
General Merch	70	2%
Shoes	67	2%
Electronics	55	2%
Other	256	8%
Total	1,232	38%

Restaurants & Food Service

	Establishments	% of Occupied Space
Fine Dining	305	9%
Take Out	188	6%
Casual Dining	144	4%
Bakeries	53	2%
Coffee Tea	64	2%
Total	754	23%

Services

	Establishments	% of Occupied Space
Gyms, Salons, Spas	282	9%
Banks, Financial	109	3%
Tailor, Cleaner, Shoe Repair	93	3%
Hotels	34	1%
Travel	24	1%
Other	142	4%
Total	684	21%

Source: CCD, 2010

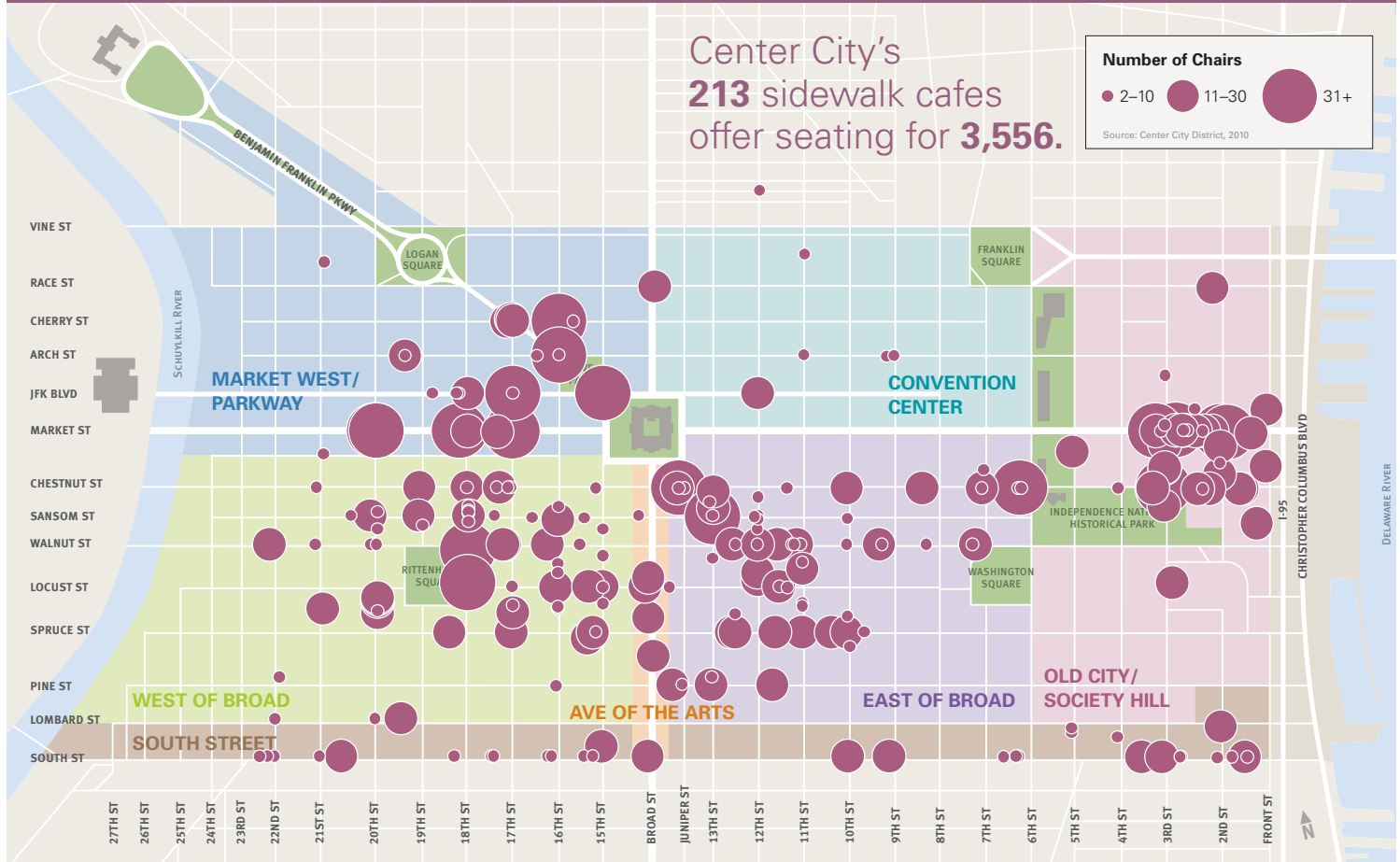


“ We’ve been in business over 70 years. Our store, four and a half floors, 130 employees, is a very strong testament to the fact that Philadelphia is vibrant and alive.”

Jeff Glass & Ralph Yaffe,
Co-owners,
Boys

PhiladelphiaRetail.com

Restaurants & Cafes with Outdoor Seating, 2010



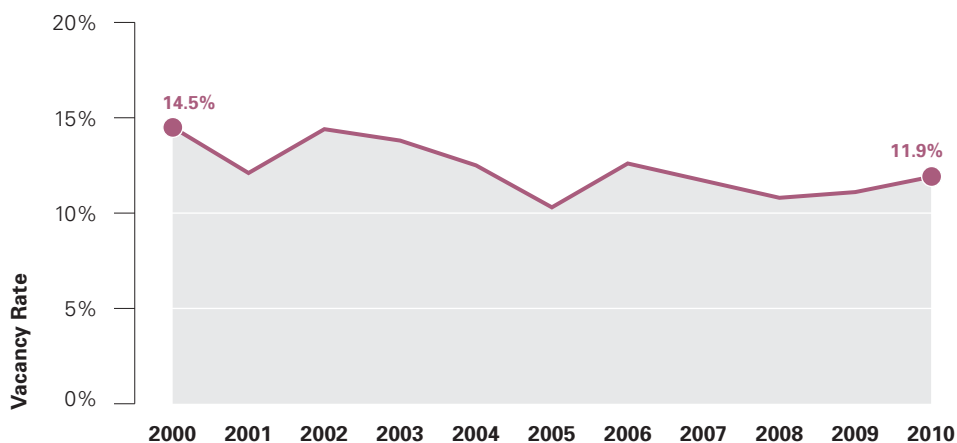
Source: CCD, 2010

Restaurants, Bakeries and Cafes, Vine Street to Pine Street

	Fine Dining	Sandwich & Take Out	Casual Dining	Bakeries	Coffee & Tea	Total
2005	185	200	56	47	36	524
2006	238	210	72	50	41	611
2007	250	202	80	52	51	635
2008	257	200	90	50	54	651
2009	266	187	115	53	59	680
2010	278	171	128	51	60	688

Source: Center City District, 2010

Center City Retail Vacancy Rate, Vine Street to Pine Street



Based on number of premises.
Source: CCD, 2010



Barbuzzo

The number of Center City fine-dining restaurants has increased

328% since 1992.

Select Apparel Categories, Vine Street to Pine Street



Source: Center City District, 2010