

CENTER CITY REPORTS:

# PHILADELPHIA RETAIL



NEW VOLUME,  
NEW SILHOUETTE

ENJOY NEW TEXTURES  
AND NEW KNITS IN STYLES.



DECEMBER 2016

CENTER CITY DISTRICT &  
CENTRAL PHILADELPHIA DEVELOPMENT CORPORATION

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# ACCOLADES FOR PHILADELPHIA

Second Best Shopping City in the World in 2015  
*Condé Nast Traveler*

America's Next Great Food City  
*Travel + Leisure Magazine*

#3 on 52 Places to Visit in 2015  
*New York Times*

UNESCO World Heritage City



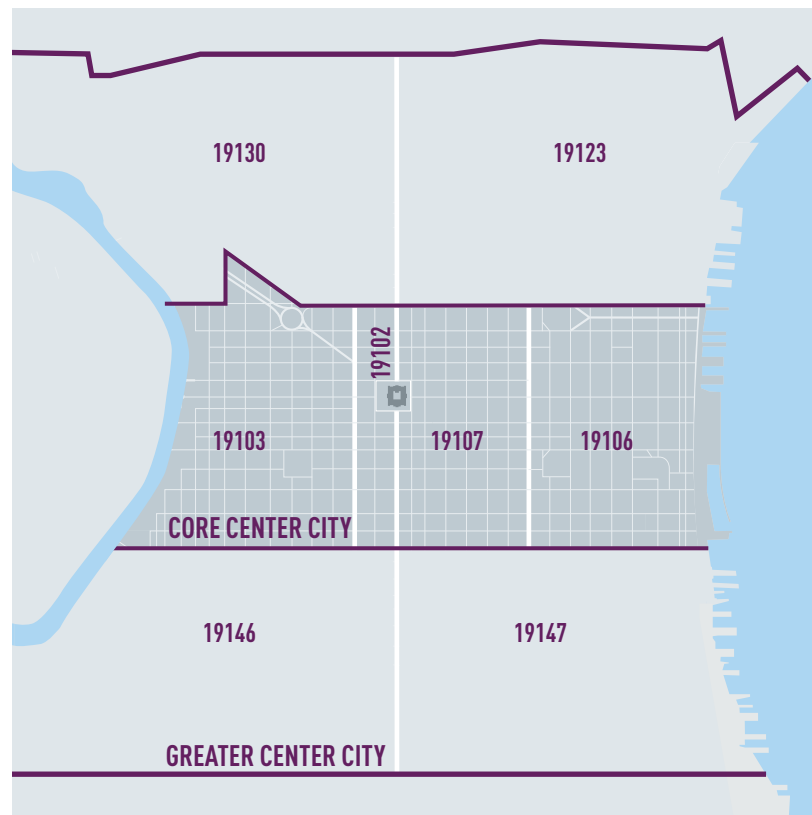


Center City's flourishing retail scene builds on more than a decade of diversified development, strong employment and residential growth. Almost 300,000 workers, 185,000 residents, 3.1 million occupied hotel room nights and 117,000 college students in or immediately adjacent to downtown make Center City a vibrant, 24-hour downtown.

Center City's affluent and highly educated residential demographic has attracted more than 45 national retailers since 2013. These stores expand a strong base of local boutiques and independents, making Philadelphia a national retail destination. As Center City's purchasing power continues to increase, so does demand for retail goods and services, with more than \$1 billion in retail demand driven by the downtown core and its surrounding neighborhoods.

Forty percent of residents living in the neighborhoods between Tasker Street and Girard Avenue work within these same boundaries; another 12% work in adjacent University City; 60% get to work without a car; 39% of those who live in the core walk to work each day passing hundreds of retail and restaurant establishments.

Center City's density, diversity and walkability create opportunities for retailers seeking to capitalize on demographic patterns favoring urban cores in America. Both local and national developers are choosing Center City, and more than \$8.5 billion is being invested or is planned for major developments within the downtown by 2019.<sup>1</sup> More than 2 million square feet is dedicated to retail as older shopping streets are being redeveloped and Philadelphia's prime retail district continues to expand.



**MORE THAN \$8.5 BILLION IN DEVELOPMENT IS BEING INVESTED DOWNTOWN.**

<sup>1</sup>: According to a Center City District's report, "Center City Philadelphia Developments 2015 – 2019," as of the end of Q4 2015, there were 82 projects that were either completed in 2015 or in the pipeline for completion by 2019 and represented \$8.5 billion in project costs.





**SINCE 2013 MORE THAN 45 NATIONAL  
RETAILERS HAVE ADDED CENTER CITY  
LOCATIONS, AUGMENTING A STRONG  
BASE OF LOCAL BOUTIQUES.**

# RETAIL:

## MARKET SNAPSHOT

Retail rents in Center City have risen faster than all peer cities but Miami, in a market comparison conducted by CBRE.<sup>2</sup> As space becomes scarce on Walnut Street, both local and national retailers are migrating to adjacent streets, transforming West Chestnut Street and connecting numbered streets along Philadelphia's prime retail district. The latest retailers to announce a Rittenhouse Row address include Warby Parker, Rag & Bone and Soulcycle, who will be joining Target, Bloomingdale's Outlet, Bonobos, Thos. Moser and Old Navy, all of whom have opened within the last year.

Limited space and strong demand from brands seeking to enter the Center City market have led to retailers locating beyond Rittenhouse Square, driven by increasing residential density and new construction (see map on page 6). Retailers requiring larger floor plates are signing leases in developments coming online in the burgeoning Center City East neighborhood, including Target, MOM's Organic, Design Within Reach, Five Below and P.J. Clarke's, reviving Center City's historic department store corridor. There has also been an uptick in retailers opening in the West Market, South Street Headhouse and Fairmount neighborhoods, including drybar, sweetgreen, Naf Naf Grill, Verts, Wawa, bFresh, Natuzzi, Target, Snap Kitchen and the relocation of the Fairmount Whole Foods into a new 55,000-square-foot space, making it the largest location for the grocer in the country.

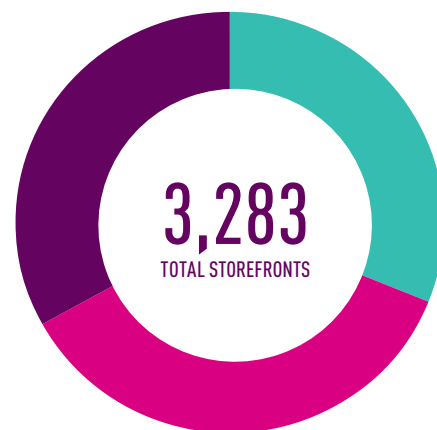
While national retailers have grown significantly over the last few years, Center City is differentiated from other retail districts by the diverse array of local proprietors that make up 77% of Center City's tenant mix. Center City's 1,049 retailers include 235 apparel stores, 173 jewelry stores, 144 food or drink retailers, and 123 home and garden establishments. One of the top dining destinations in the country, Center City's 1,006 food establishments include 464 full-service restaurants and 322 takeout establishments. With 431 sidewalk cafés and other retail establishments animating sidewalks, Center City continues to enjoy an increase in street vibrancy and activity.<sup>3</sup> Center City's large daily workforce and increasing residential population have also attracted a variety of service providers catering to their needs.

## RETAIL RENTS IN CENTER CITY HAVE RISEN FASTER THAN ALL PEER CITIES BUT MIAMI.

2: CBRE's Fall 2016 report, "Philadelphia Urban Retail," found that Philadelphia's average prime retail rent rose faster in the past five years (87.5% from Q2 2011 to Q2 2016) than all North American cities except for Miami.

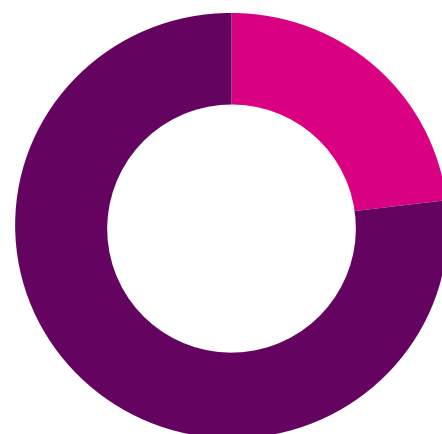
## CENTER CITY STOREFRONTS, 2016

1,049 RETAIL  
1,228 SERVICE PROVIDERS  
1,006 FOOD ESTABLISHMENTS



## CENTER CITY RETAILER TYPE, 2016

77% BOUTIQUE/INDEPENDENT/LOCAL RETAILERS  
23% NATIONAL RETAILERS



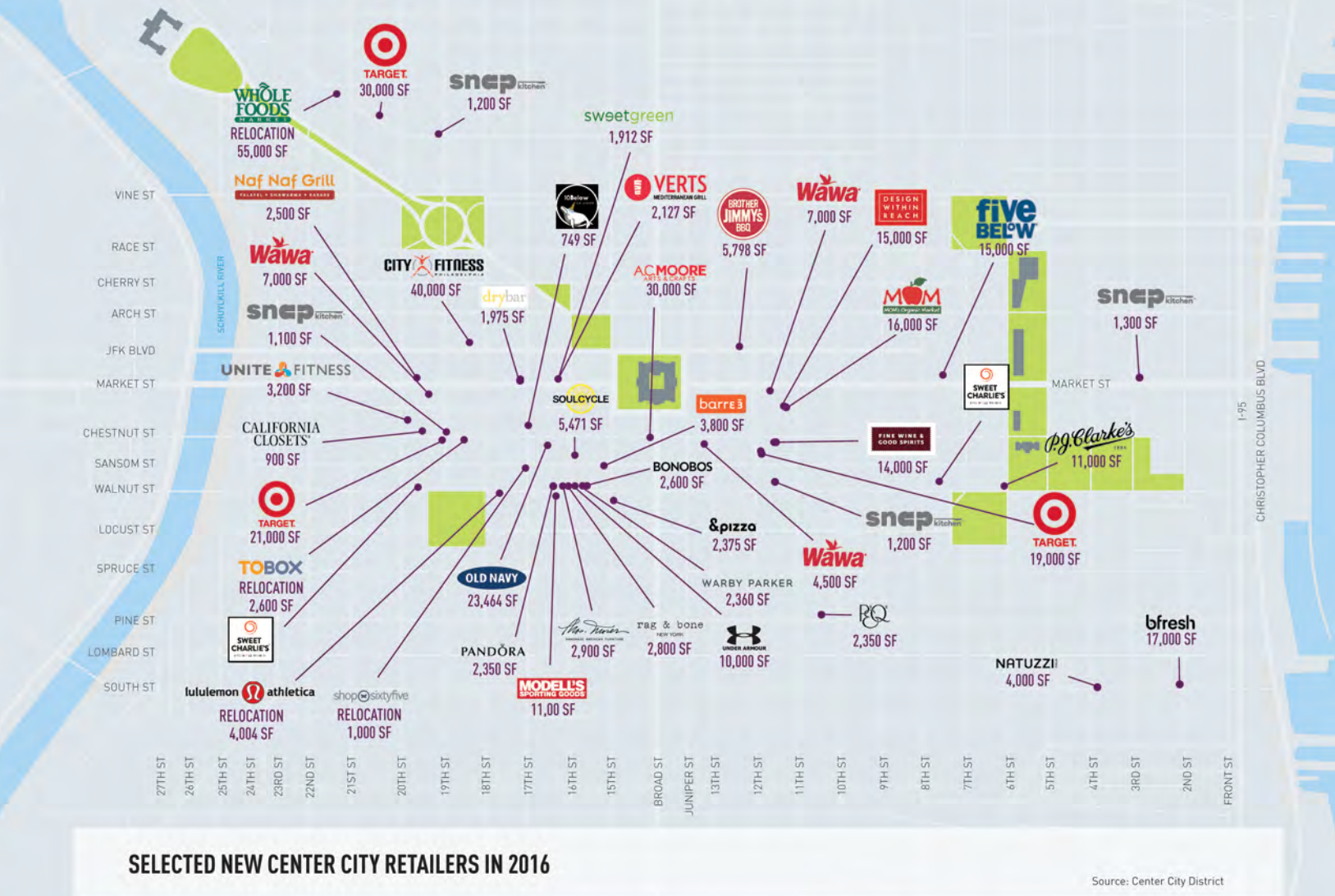
## CENTER CITY RETAILERS, 2016

235 APPAREL  
173 JEWELRY/WATCHES  
144 FOOD OR DRINK  
123 HOME/GARDEN  
107 ART/COLLECTIBLES/HOBBIES  
43 ELECTRONICS  
39 BEAUTY/HEALTH/FITNESS  
36 PHARMACY  
27 OPTICAL  
19 MUSIC/VIDEO/VIDEO GAMES  
18 BOOK/MAPS  
85 OTHER



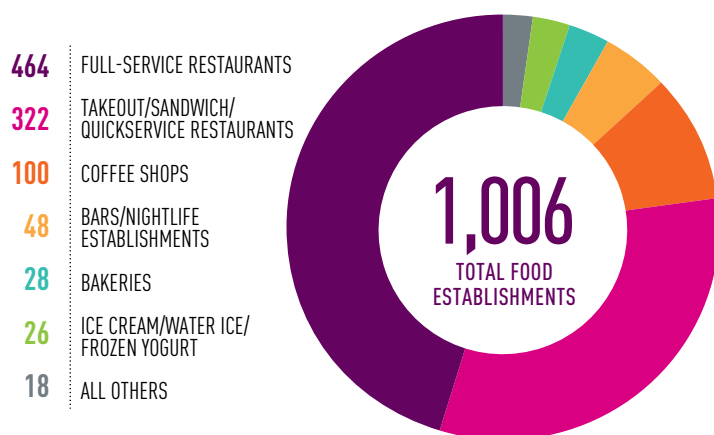
Source: Retail Survey, Center City District



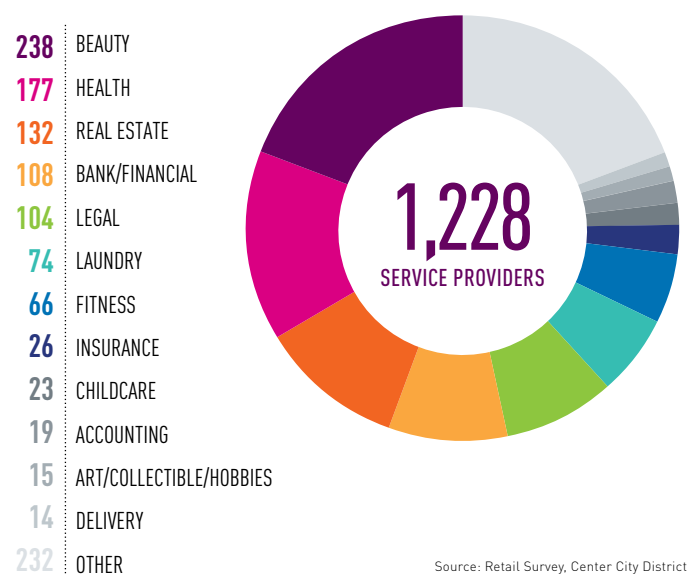


AS DEMAND FOR RETAIL AND RENTS INCREASE, MORE RETAILERS ARE BEGINNING TO OPEN LOCATIONS EAST OF BROAD STREET.

## CENTER CITY FOOD ESTABLISHMENTS, 2016



## CENTER CITY SERVICE PROVIDERS, 2016



Source: Retail Survey, Center City District

RESIDENTS	CORE CENTER CITY	GREATER CENTER CITY
Population (2015)	63,521	184,998
Households (2015)	36,994	89,887
Aggregate Income*	\$3,733,513,326	\$7,687,544,397
Average Household Income*	\$111,166	\$90,074
% of Population Millennial (age 20-34)	46%	40%
Children Born in 2015	463	2,301
% of Population with a BA or Higher	77%	57%
Average Home Sale Price (2015)	\$602,970	\$430,068
Housing Units Completed in 2015	614	1,538
EMPLOYMENT		
Total Wage & Salary Jobs	243,436	286,427
Payroll (2014)	\$13,230,425,000	\$14,801,205,000
Square Feet of Office	40,367,449	
Office Occupancy	89%	
VISITORS		
Hotel Rooms		10,977
Hotels		43
Occupied Hotel Room Nights (2015)		3,110,000
Hotel Occupancy (2015)		77%
EDUCATION		
Institutions of Higher Learning	10	11
Total Enrollment	13,561	32,680
DOLLARS OF DEMAND OF SHOPPERS' GOODS		
Office Workers	\$175,796,872	\$203,092,051
Other Workers	\$41,374,876	\$50,546,486
Residents	\$121,960,320	\$355,196,160
Overnight Visitors	\$411,790,849	\$411,790,849
<b>TOTAL</b>	<b>\$750,922,916</b>	<b>\$1,020,625,545</b>
CENTER CITY ATTRACTIONS & LEISURE		
Arts & Culture Organizations		426
Retailers		1,049
Food Establishments		1,006
TRANSPORTATION		
Annual Philadelphia Airport Passengers (2015)		31.4 Million
Annual Amtrak 30th Street Station Passengers (2015)		4.1 Million
Average Weekday Ridership at Center City Stations (2015)		290,665

**GREATER CENTER CITY WORKERS, RESIDENTS AND OVERNIGHT VISITORS CREATE MORE THAN \$1 BILLION IN RETAIL DEMAND.**

\*CPI Adjusted  
 Job Market Source: OnTheMap, Local Employment Dynamics Partnership, U.S. Census Bureau; Residential Market Source: U.S. Census Bureau, American Community Survey 2010 - 2014  
 Visitor Market Source: Visit Philadelphia  
 Dollars of demand for each market segment are CCD calculations based on retail industry standards.  
 Office Market data: Newmark Grubb Knight Frank  
 National Center for Charitable Statistics DataWeb, provided by Greater Philadelphia Cultural Alliance  
 CCD Retail Survey





MORE THAN THREE QUARTERS OF  
CENTER CITY RESIDENTS HOLD A  
BACHELOR'S DEGREE OR HIGHER.  
HOUSEHOLD INCOMES AVERAGE  
OVER \$110,000.



# DEMAND DRIVERS: RESIDENTS

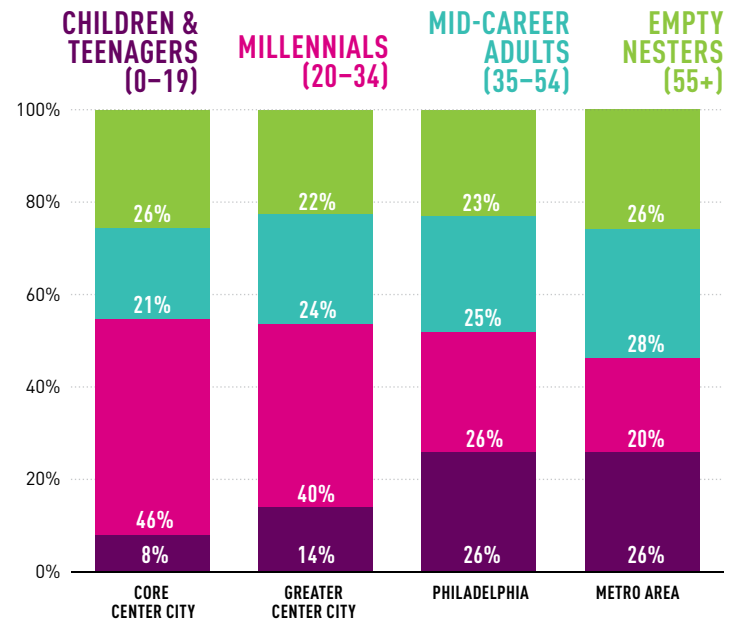
Demand for retail is driven by steady residential growth in Center City. Since 2000, the population between Tasker Street and Girard Avenue, river to river, has increased 17%, to 185,000, as well-educated workers choose to live close to office, university and health-service employers and take advantage of the broad array of cultural, entertainment and dining options. Residents within this area generate more than \$355 million in retail demand. With household incomes averaging more than \$111,000 and 77% of residents in the core holding at least a bachelor's degree, Center City's purchasing power continues to increase.

Millennials, entering their peak consumer-spending years,<sup>4</sup> represent 40% of the downtown's population, rising to 46% in the core. Between 2006 and 2014, Philadelphia's share of millennials has increased the fastest among the 10 largest U.S. cities (+6.3%).<sup>5</sup> Center City's retail mix has been influenced by this powerful demographic group, as their importance as a consumer block continues to grow. Downtown Philadelphia has seen an influx of food and beverage, wellness, value, and experiential retail concepts, reflecting where millennials are choosing to spend their money. Some of these brands include Soulcycle, Orange-theory Fitness, barre 3, Snap Kitchen, HipCityVeg, sweetgreen, Nordstrom Rack, Century 21, Bloomingdale's Outlet, Target, Bonobos, Warby Parker, Indochino, Lululemon, New Balance and an Under Armour brand house.

Residential growth and purchasing power has also been driven by an increase in the number of young families choosing to live downtown. Since 2000, more than 31,000 children were born to Center City parents and the 2010 Census documented a 42% increase in the number of children under the age of five. This trend is expected to continue as millennials age, settle down and choose to raise children in the city. Through this process many families are choosing to move to the more affordable residential neighborhoods surrounding the core, extending the boundaries of the downtown. There is a distinct opportunity for children's retailers and child-oriented service providers to meet growing demand for children's merchandise given the scarcity of this type of retail in Center City.

Affluent empty-nesters are also moving back into the city at a growing rate. No longer needing the large suburban house and tiring of auto-commuting times, they are drawn to high-end, full-service condominium or rental units and the convenience of being close to Center City's cultural institutions, entertainment and dining options.

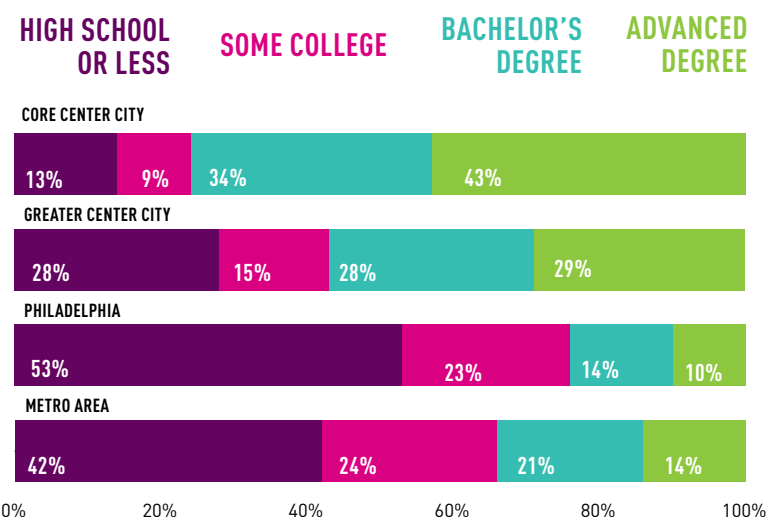
## POPULATION BY AGE



# 46%

OF CORE CENTER CITY'S POPULATION  
ARE MILLENNIALS ENTERING THEIR  
PEAK CONSUMER SPENDING YEARS.

## EDUCATIONAL ATTAINMENT, POPULATION 25 AND OLDER



Source: U.S. Census Bureau, American Community Survey 2010 - 2014

3: A Center City District Report, "Outdoor Seating 2016," documented 372 food establishments with café seating and 59 other outdoor seating locations, including plazas, in the core of the downtown.  
4: In its report, "Millennials: Coming of Age in Retail," Goldman Sachs estimates millennial spending in apparel will increase by 20%-25% in the next five years.  
5: JLL Research





# CENTER CITY IS AT THE HEART OF A REGIONAL TRANSIT NETWORK THAT BRINGS 290,000 PASSENGERS DOWNTOWN EACH WEEKDAY.

MATT STANLEY

## WORKERS

Downtown Philadelphia is a dense and diverse employment center, where 42% of all Philadelphia jobs and 10% of those in the 11-county region are concentrated. Center City houses more than 286,000 wage and salaried workers, 8,500 freelancers and those compensated as partners and 40.4 million square feet of commercial office space, making it the largest central business district in the region, and the ninth largest in the country. Downtown workers generate more than \$253 million in retail demand and \$14.8 billion in payroll annually.

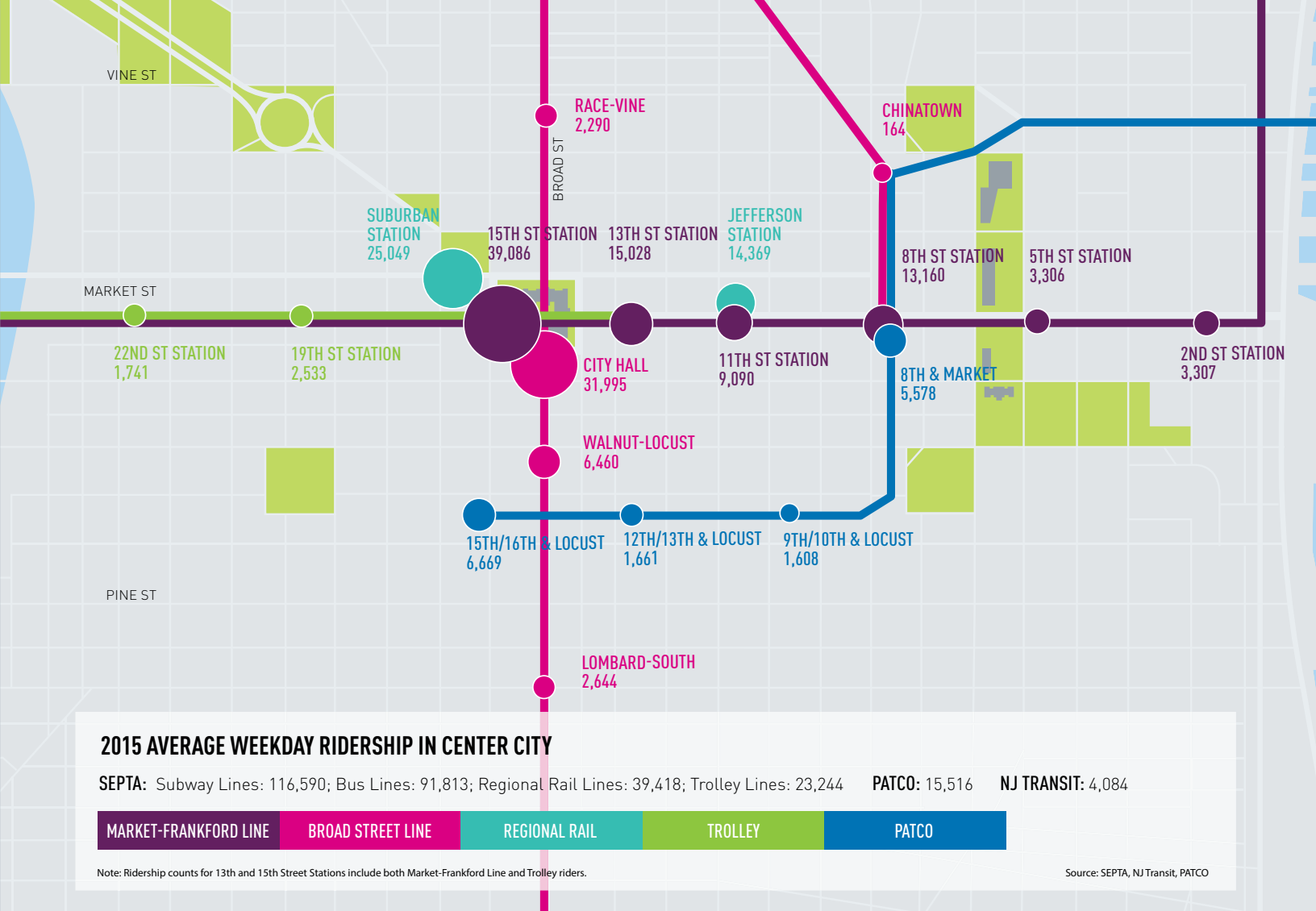
This dense concentration of employment is made possible by a multi-modal transit system that brings 290,600 passengers downtown each day and enables 108,000 residents from the surrounding counties in Pennsylvania, South Jersey and Delaware to work in Center City. The number of workers within a walkable one-mile radius of City Hall is 14 times higher than the number

of workers within a one-mile radius of Cherry Hill Mall and eight times greater than the number of workers surrounding King of Prussia Mall. Sixty percent of the workers within a mile of City Hall earn more than \$3,333 in monthly wages, compared to 55% surrounding King of Prussia Mall and 34% around the Cherry Hill Mall.

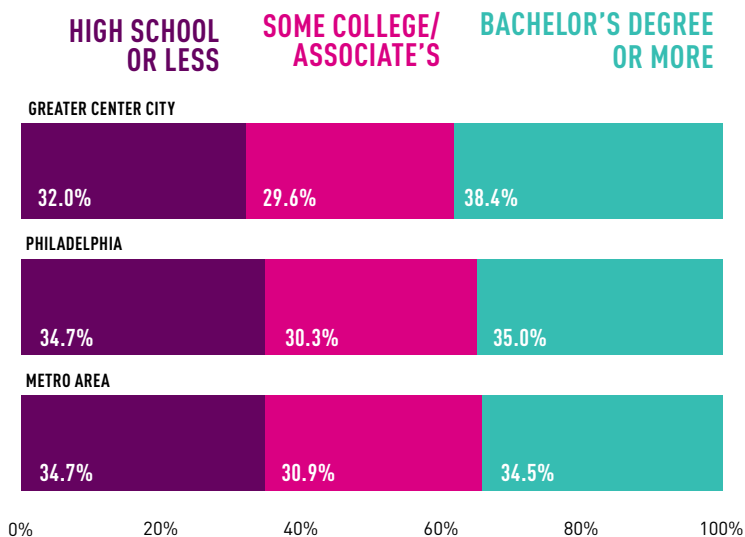
Philadelphia's central business district has a diverse employment base, with 40% in office sector jobs, 20% in education and healthcare, 13% in public administration and 11% in entertainment, leisure and hospitality. Thirty-eight percent of Center City workers have a BA or higher, comprising a highly educated workforce. Twenty-one percent of downtown workers are under the age of 29, 58% between 30 and 54, and 21% age 55 or older. Employers from around the region are opening offices in Center City, or renting coworking space, to recruit from the downtown's young, educated workforce who are reluctant to commute to the suburbs for a job.

**THE NUMBER OF WORKERS WITHIN A 1-MILE RADIUS OF CITY HALL IS 14 TIMES HIGHER THAN THAT IN CHERRY HILL MALL AND EIGHT TIMES HIGHER THAN THAT IN KING OF PRUSSIA MALL.**

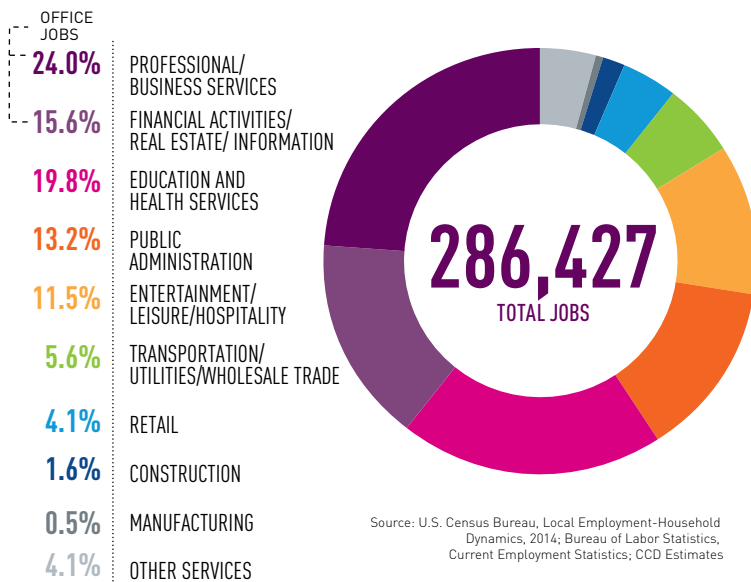




## EDUCATIONAL ATTAINMENT, FOR WORKERS 30 AND OLDER



## GREATER CENTER CITY WAGE & SALARY EMPLOYMENT





# VISITORS

With more than 1 million convention and trade show attendees, more than 4 million visitors to the historic area and a record 3.11 million occupied hotel room nights in 2015, Center City overnight visitors augment residential and employee retail demand in the downtown. Strong attendance numbers at Philadelphia's historic sites and the Pennsylvania Convention Center are helping lure more retailers and retail development to the connective fabric of the Market East retail corridor.

A record 41 million domestic visitors came to the region in 2015, with a majority coming from the Mid-Atlantic region (55%), including Pennsylvania (20%), New York (15%) and New Jersey (9%).<sup>6</sup> The share of visitors from the Mid-Atlantic region declined slightly from 2014 levels, indicating that the region has increased its share of longer haul visitation. This trend is seen in growth from larger states, including Florida (6%), California (4%), Illinois (3%) and Texas (3%), which all ranked in the top 10 origin markets to the region.<sup>7</sup> Domestic visitors to the region are well-educated (65% having a BA or higher) and affluent (average household income over \$71,000).<sup>8</sup> Total visitor spending in the region totaled \$6.7 billion, with 42% spent on food and beverage and retail consumption.<sup>9</sup> In terms of international visitation, 620,000 visitors came from outside the United States to the Philadelphia region in 2014, with the highest proportions coming from the United Kingdom (14%) and China (10%).

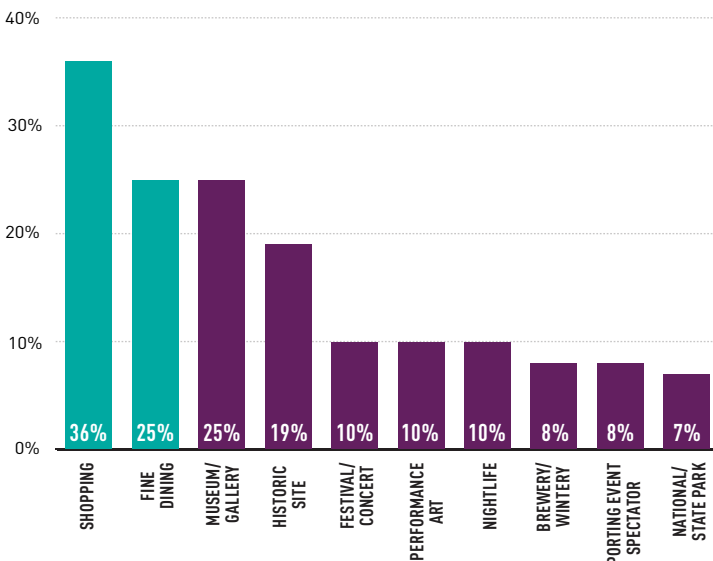
Since 2006, Center City has seen a 54% increase in overnight leisure tourism, which together with continued convention and tradeshow visitation, helped increase downtown hotel occupancy

rates to 76.7% in 2015. Indicative of the strength of the leisure tourism industry in Philadelphia is the 88.7% Saturday occupancy rate, second only to New York City (89.6%) among major northeast cities,<sup>10</sup> as well as the more than 4.3 million visitors that came to Independence National Historical Park in 2015. Overnight leisure tourists are likely to spend more at restaurants and retailers and help account for the strong retail demand created by tourists in Center City – overnight visitors create more than \$411 million in retail demand within the core of the downtown, 55% of all retail demand within this area.

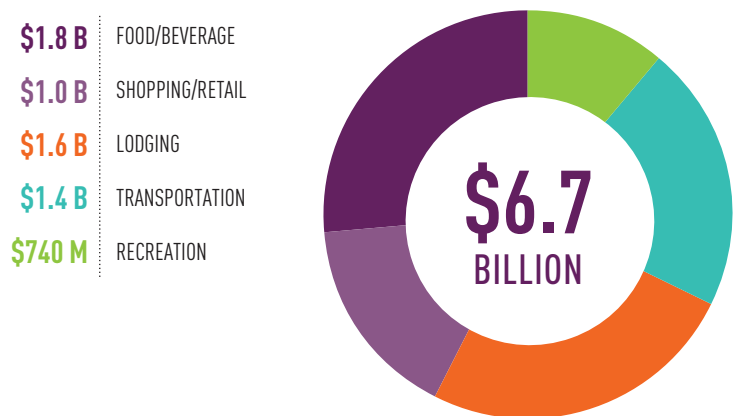
Growing visitation and occupancy numbers are increasing demand for hotel rooms. Developers are responding with 11 hospitality projects underway downtown that will increase room supply to more than 13,000 in 2019. These include the W Hotel, Element by Westin, Four Seasons, Cambria Hotel & Suites, Aloft Hotel and Fairfield Inn and Suites – all currently under construction – as well as the planned Hyatt Centric, Kimpton Hotel, SLS LUX, Hyde and Marriott AC. While new supply may slow occupancy growth, the latest projection from CBRE Hotels has room demand growing by 2.5% in 2016.

Further solidifying the city as an international tourism destination was the announcement last fall that Philadelphia was named America's first UNESCO World Heritage City. Other accolades included Philadelphia placing third on The New York Times' list of 52 places to visit in 2015, behind only Milan and Cuba. With tourists increasingly viewing Philadelphia as a travel destination of choice, we expect that retail demand generated by visitors will continue to grow in the years to come.

## OVERNIGHT LEISURE VISITORS TO THE REGION: VISITOR ACTIVITIES (2015)



## ALL REGIONAL VISITOR SPENDING (2015)



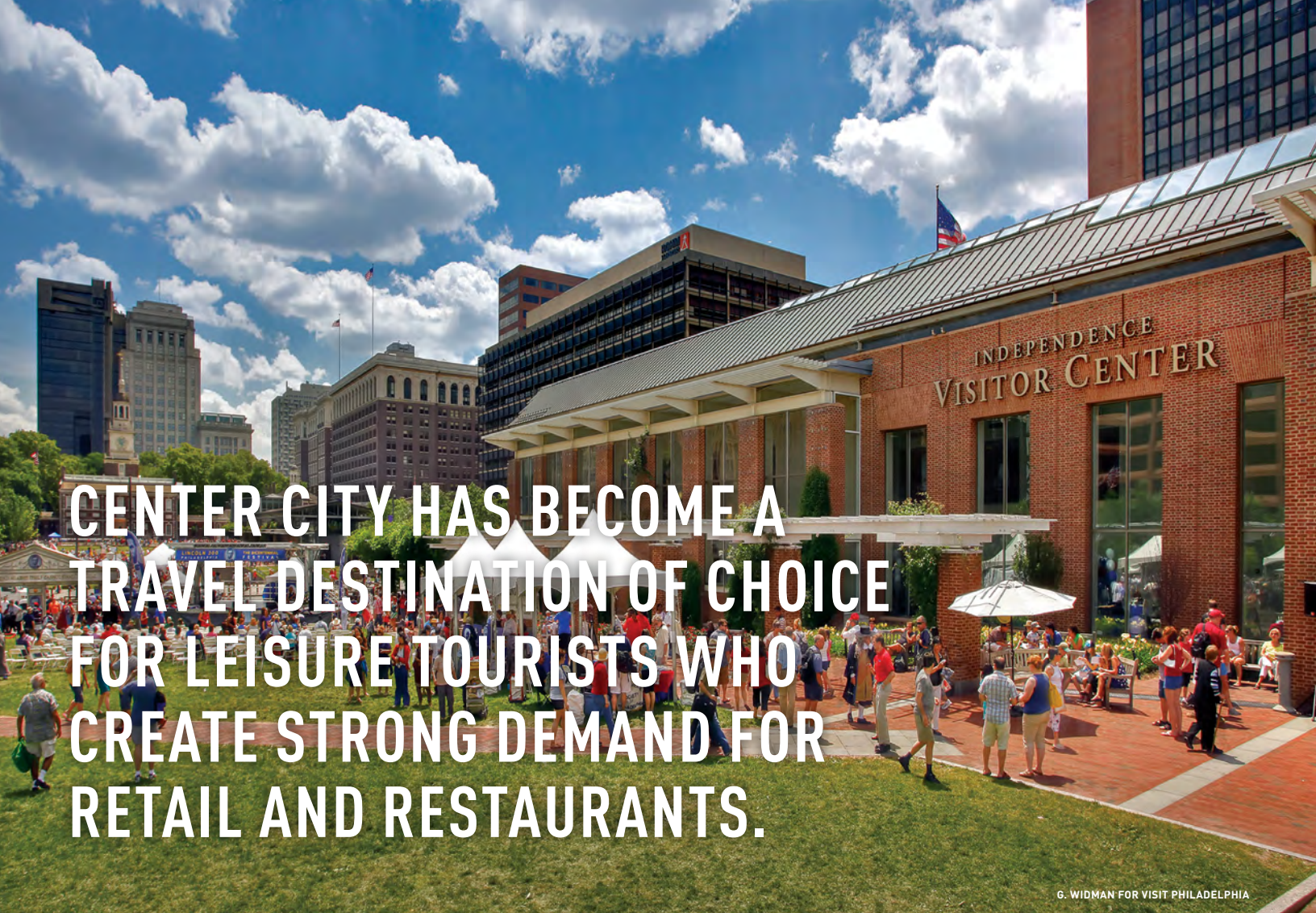
Source: Longwoods International 2015 Travel USA Survey: Tourism Economics - Provided by Visit Philadelphia

6 & 7: "Tourism as an Economic Engine for Greater Philadelphia: 2015 Visitation and Economic Impact Report," Econsult Solutions for Visit Philadelphia

8: Longwoods International/Tourism Economics for Visit Philadelphia

9 & 10: Visit Philadelphia



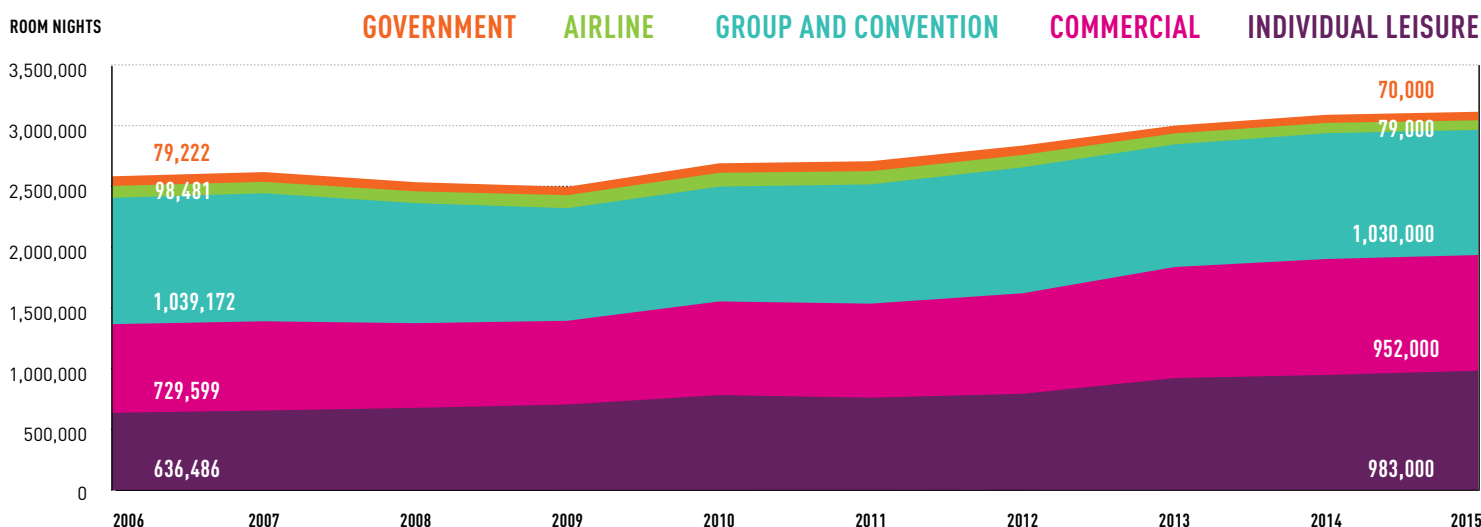


CENTER CITY HAS BECOME A TRAVEL DESTINATION OF CHOICE FOR LEISURE TOURISTS WHO CREATE STRONG DEMAND FOR RETAIL AND RESTAURANTS.

G. WIDMAN FOR VISIT PHILADELPHIA

## OCCUPIED CENTER CITY HOTEL ROOMS BY PURPOSE OF TRIP, 2015

2015 TOTAL ROOM NIGHTS: 3.11 MILLION



Source: CBRE Hotels - Provided by Philadelphia Convention & Visitors Bureau

# COLLEGE STUDENTS

Center City's 11 institutions of higher education welcomed more than 32,000 students in 2014. University City's Drexel University, University of Pennsylvania (Penn), and University of the Sciences, along with Temple University's campuses drew 85,000 additional students to areas immediately adjacent to downtown. This large student population seeks out apartments downtown to rent and stores for shopping. They patronize bars, cafés and restaurants and visit museums, movie theaters and cultural institutions. College and graduate students, along with medical school interns, represent an important demand driver for retail, restaurants and entertainment offerings in Center City.

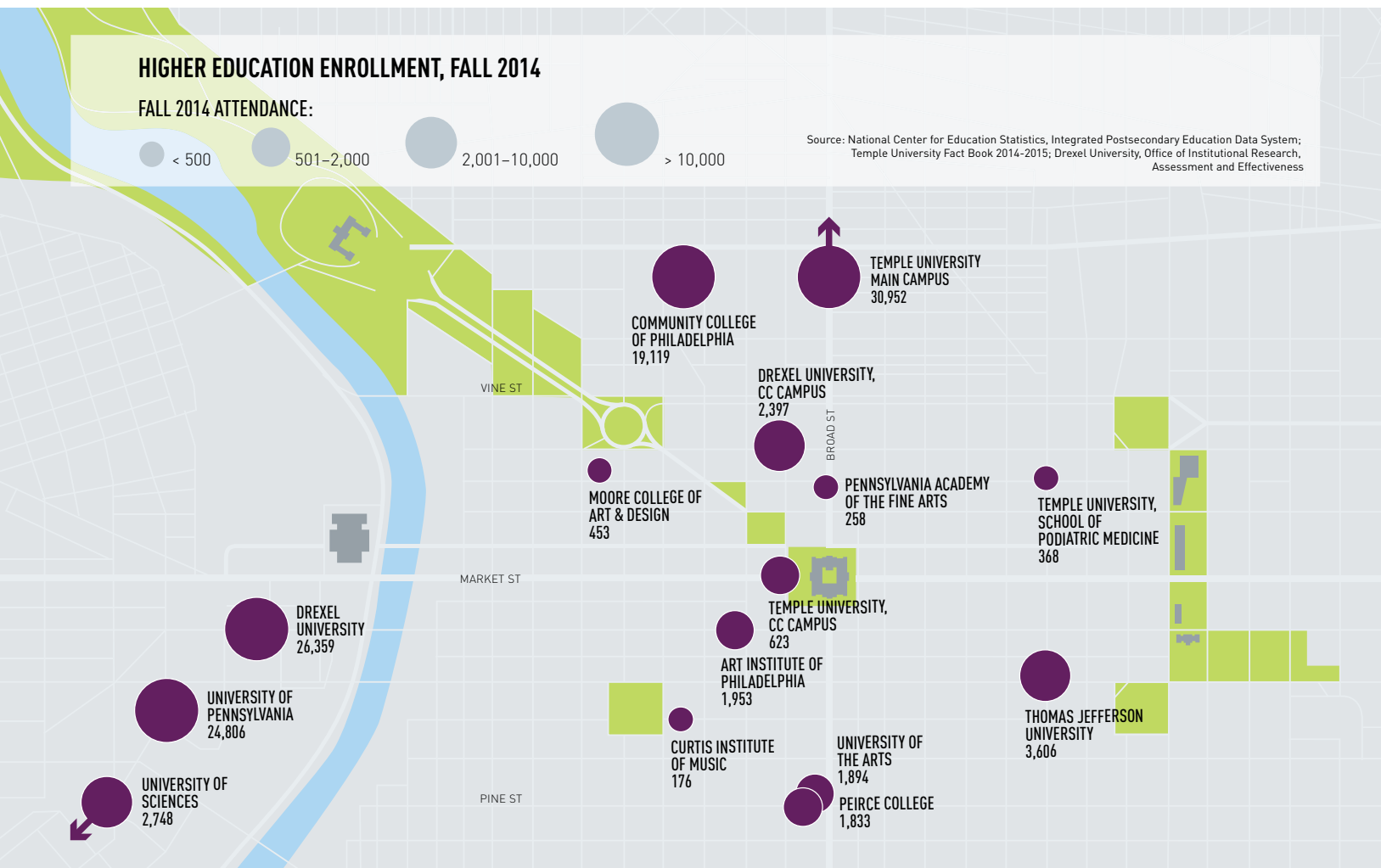
The 90,000 degrees conferred annually at regional institutions of higher learning also represent a strong potential pipeline of highly educated workers for Philadelphia – and Center City in particular – if they choose to stay. According to Campus Philly a total of 64% of students chose to stay in Philadelphia after they graduated, surpassing Boston (50%) and Baltimore (37%).<sup>11</sup> All these students provide a steady supply of well-educated workers for city employers, become occupants for Center City's expanding housing options, and help drive downtown's consumer economy.

## HIGHER EDUCATION ENROLLMENT, FALL 2014

Temple Main Campus	30,952
University of Pennsylvania	24,806
Drexel University	26,359
Community College of Philadelphia	19,119
Thomas Jefferson University	3,606
University of the Sciences	2,748
Drexel University, CC Campus	2,397
Art Institute of Philadelphia	1,953
University of the Arts	1,894
Peirce College	1,833
Temple University, CC Campus	623
Moore College of Art & Design	453
Temple University, School of Podiatric Medicine	368
Pennsylvania Academy of the Fine Arts	258
Curtis Institute of Music	176
<b>TOTAL</b>	<b>117,545</b>

Source: National Center for Education Statistics, Integrated Postsecondary Education Data System; Temple University Fact Book 2014-2015; Drexel University, Office of Institutional Research, Assessment and Effectiveness

11: "Choosing Philadelphia" 2014 Report on Recent College Graduates," Campus Philly





**MORE THAN 117,000  
STUDENTS ATTEND COLLEGE  
IN OR IMMEDIATELY  
SURROUNDING CENTER  
CITY. THEY LIVE, SHOP  
& DINE DOWNTOWN.**





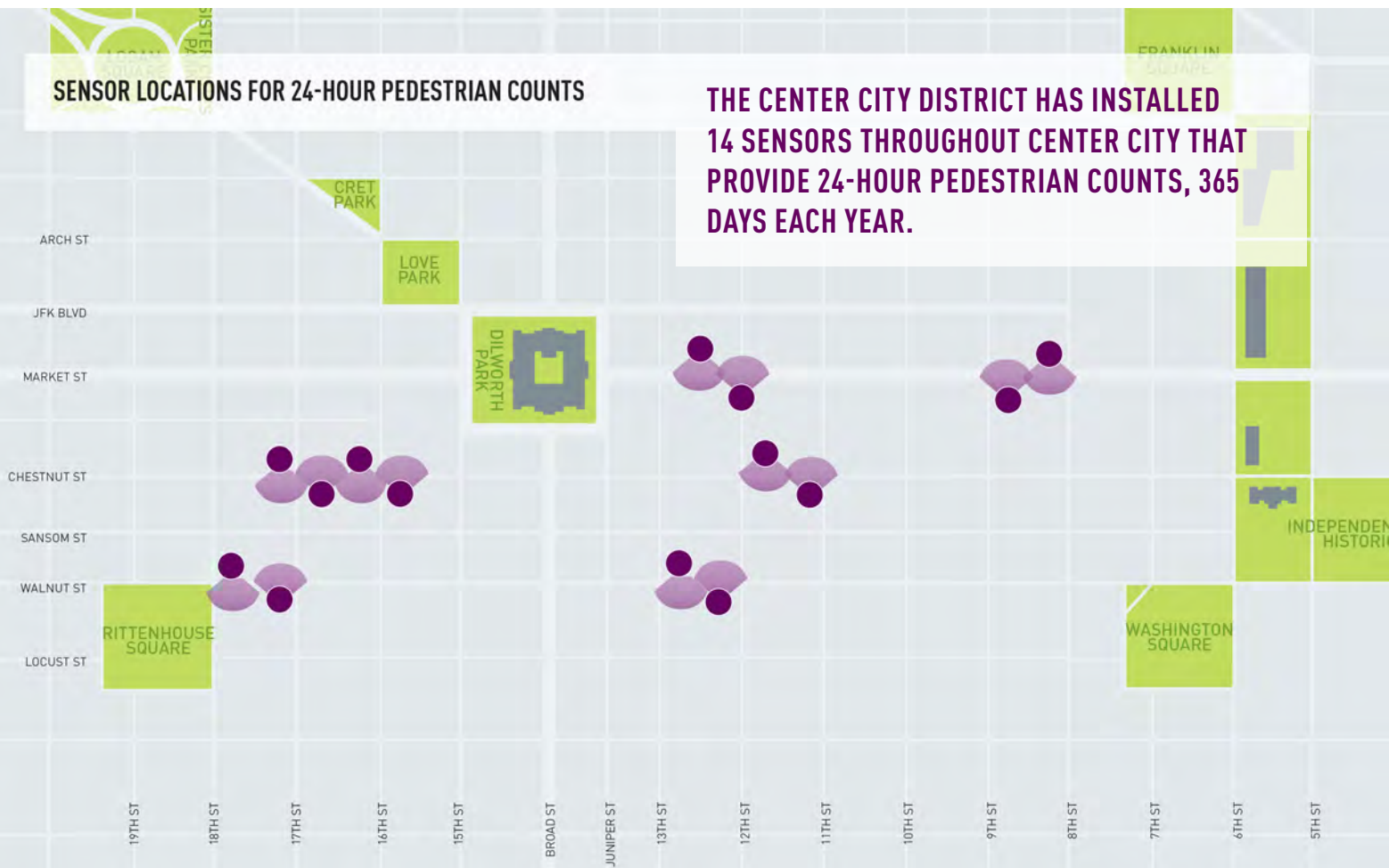
# RETAIL DRIVES TRAFFIC

Philadelphia's 24-hour downtown has the second largest residential population in the country and generates significant foot traffic on Center City retail streets. While most of Center City's pedestrian traffic peaks during the week around lunchtime and late afternoon, the area between Rittenhouse Square and Broad Street peaks weekends, pointing to its status as a destination for retail and entertainment. Indicative of this trend was Rittenhouse Row's strong pedestrian traffic on Black Friday in 2015. More than 128,000 pedestrians walked along Rittenhouse Row on the biggest shopping day of the year, representing a 50% increase over average daily volumes in November of that year.

West Chestnut Street has typically had strong pedestrian traffic on weekdays, because of its proximity to workers in the West Market Street office district. However, with the expansion of the Rittenhouse Row retail district and the critical mass of retailers that have opened stores on West Chestnut, pedestrian counts have soared. Foot-traffic on West Chestnut Street now equals and surpasses that of West Walnut Street. This clearly signals that destination retailers can locate almost anywhere in Center City's walkable downtown and shoppers will follow.

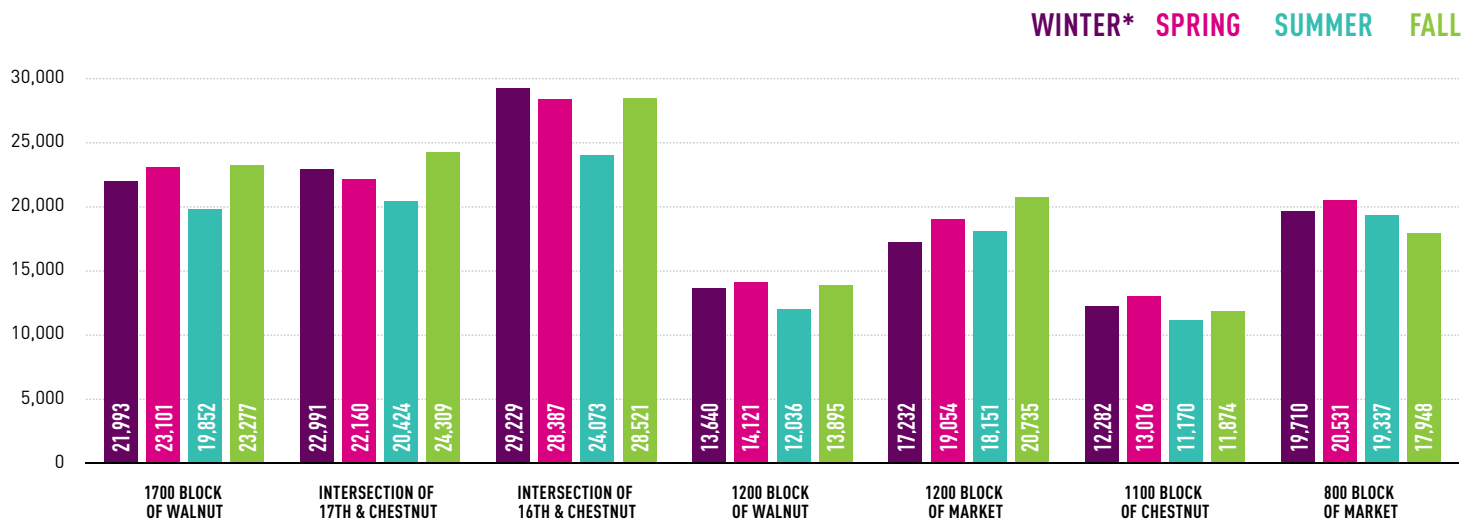
## MORE THAN 36,000 PEDESTRIANS WALKED THE INTERSECTION OF 16TH AND CHESTNUT ON FRIDAYS IN THE FALL.

### SENSOR LOCATIONS FOR 24-HOUR PEDESTRIAN COUNTS



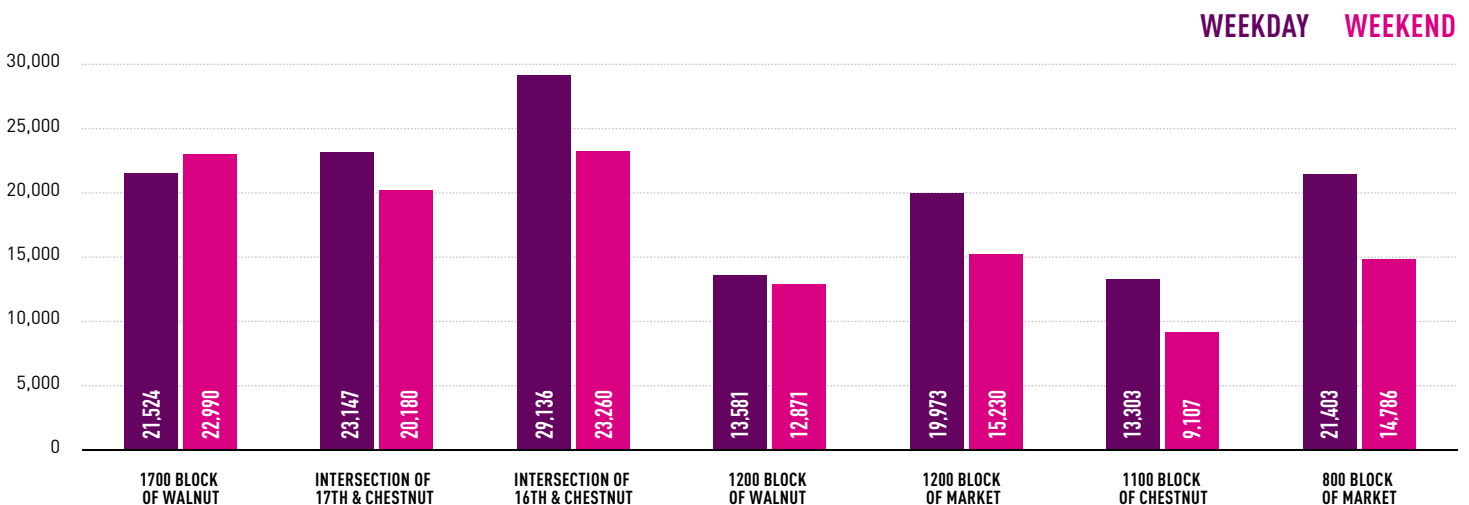


## AVERAGE DAILY PEDESTRIAN ACTIVITY BY SEASON, DECEMBER 2015 – OCTOBER 2016

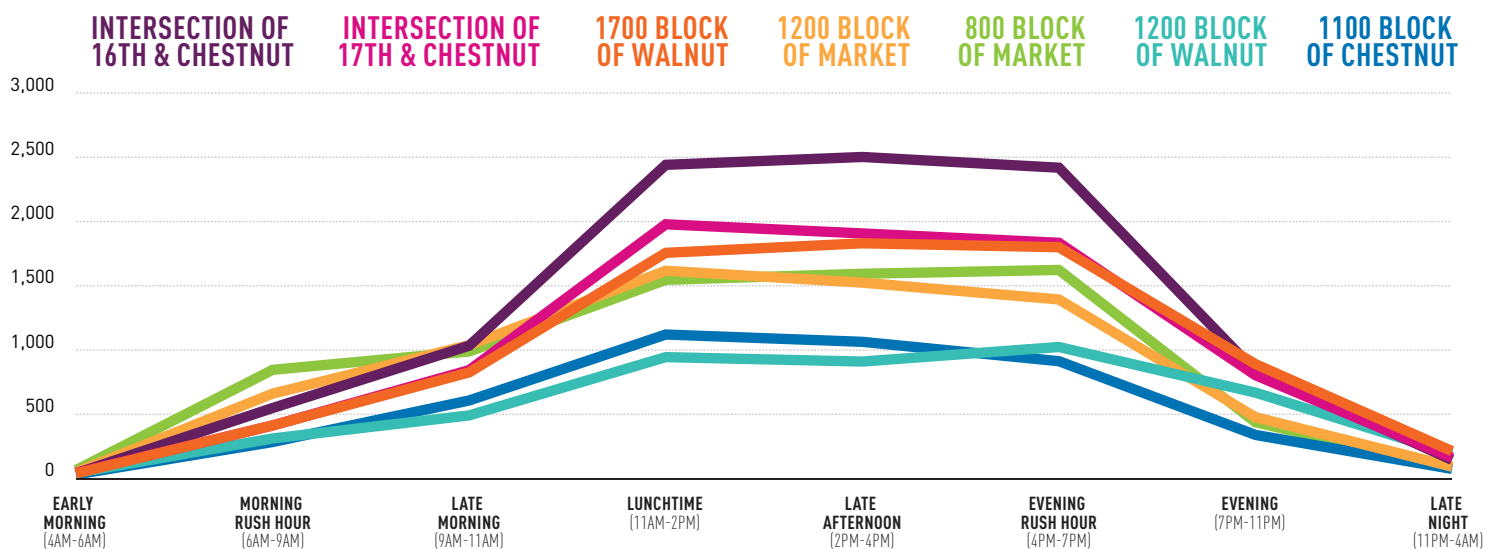


\*Winter includes December 2015, January 2016 and February 2016

## AVERAGE DAILY PEDESTRIAN ACTIVITY BY WEEKDAY/WEEKEND, DECEMBER 2015 – OCTOBER 2016

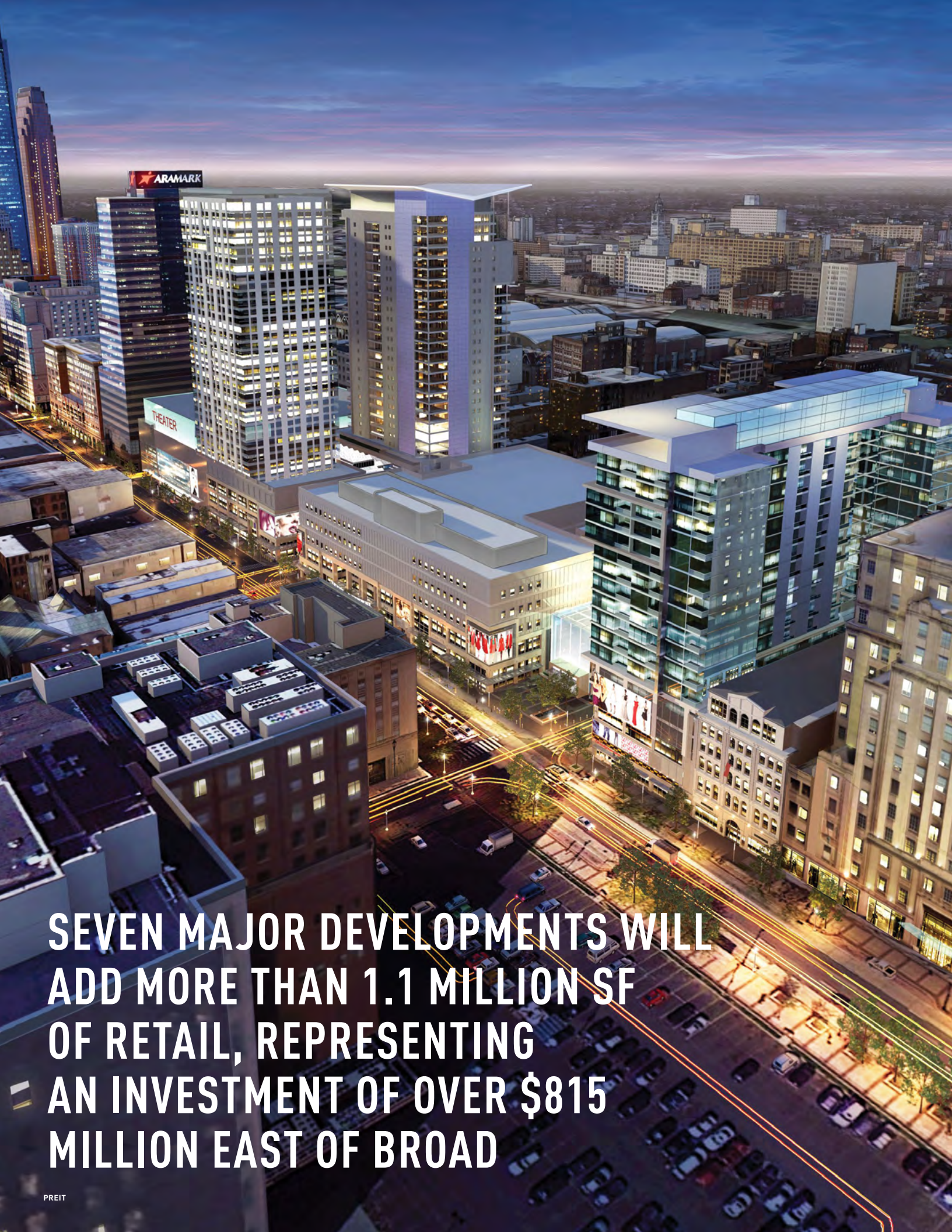


## AVERAGE HOURLY PEDESTRIAN ACTIVITY BY TIME OF DAY, DECEMBER 2015 – OCTOBER 2016



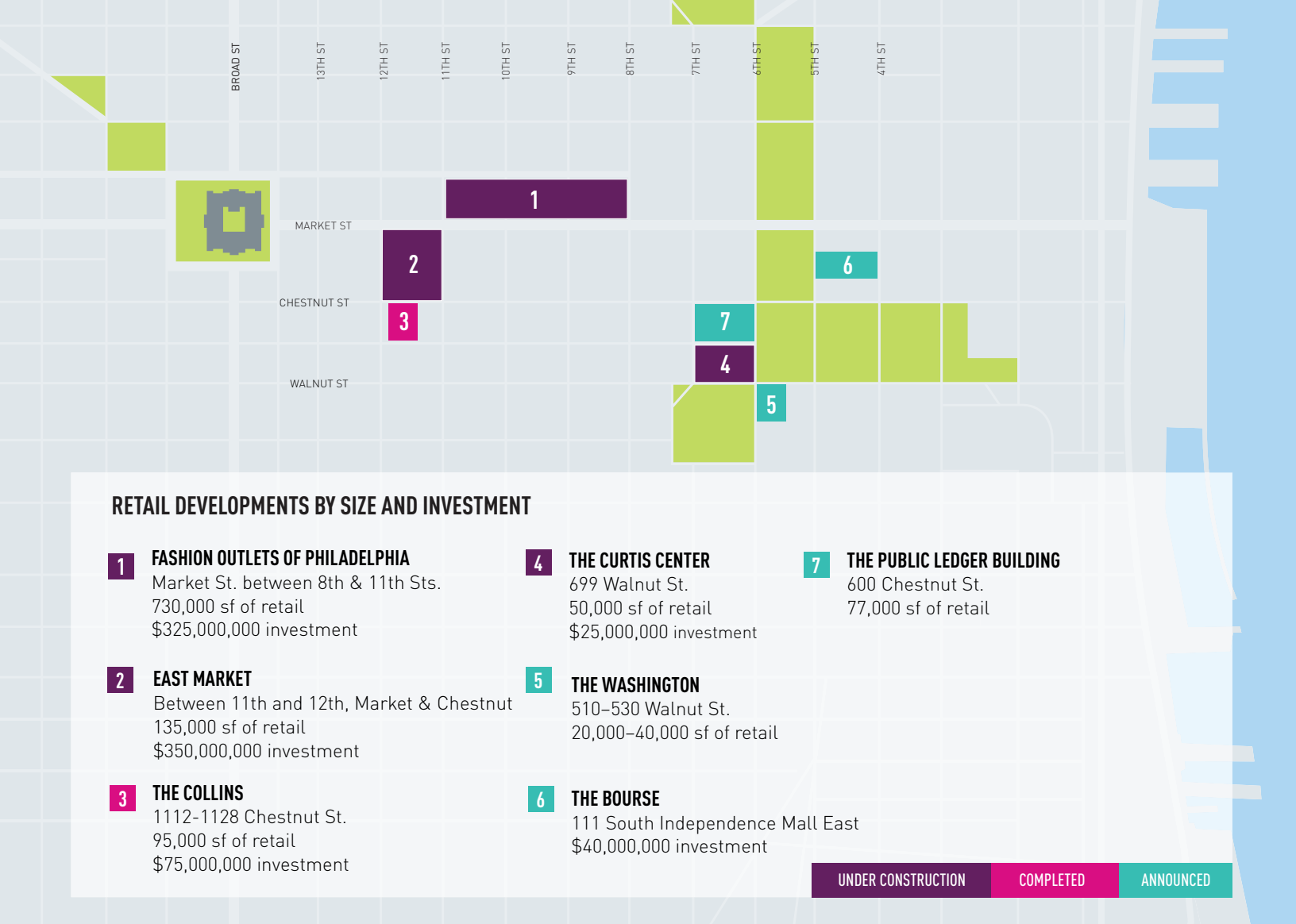
Source: Eco-counter Pedestrian Counts, Center City District





**SEVEN MAJOR DEVELOPMENTS WILL  
ADD MORE THAN 1.1 MILLION SF  
OF RETAIL, REPRESENTING  
AN INVESTMENT OF OVER \$815  
MILLION EAST OF BROAD**





# RETAIL DEVELOPMENT: CREATING CENTER CITY'S NEXT RETAIL DISTRICT

Strong retail demand is driving development east of Broad Street, where there is space for large-scale projects. While Center City's prime retail district is on the west side, adjacent to Rittenhouse Square, both local boutiques seeking lower rents and national tenants desiring larger floor plates are looking to locate along the burgeoning Center City East retail district. With one major retail-driven development completed this year, three more currently under construction and another three in the

pipeline, Center City East will add more than 1.1 million square feet of retail in the next few years, representing an \$815 million investment in this section of the downtown.

This critical mass of large-scale, mixed-use development along Market East will create a continuous shopping and dining experience from Independence Mall to the major Convention Center hotels adjacent to City Hall.



## 1) FASHION OUTLETS OF PHILADELPHIA AT MARKET EAST

**Location:** Northern blocks of Market Street between 8th and 11th Streets

**Developer:** PREIT & Macerich

**Size:** 730,000 sf of retail

**Investment:** \$325 Million

**Completion:** Spring 2018

In July 2014, California-based retail developer Macerich acquired a 50% interest in The Gallery. PREIT and Macerich are now repositioning the urban mall into The Fashion Outlets of Philadelphia. The plan will create an open, well-lit, and easily accessible three-block corridor of approximately 125 new stores, including dining and entertainment options. The first anchor tenant is Century 21, which opened a 100,000-sf store in October 2014, the first for the retailer outside the NYC metropolitan region.

The proposed redevelopment will capitalize on its central location where public transit, tourism, and Center City's office and residential districts converge. The repositioned urban marketplace will become a pillar of the new, vibrant Center City East retail district and leverage other private and public investments in this section of Center City. The project will benefit from the participation of Macerich, one of the nation's top mall owners, operators and developers, with extensive experience adding value to properties located in densely populated, urban environments.

Through the \$325-million-redevelopment plan, the mall is undergoing a top-to-bottom redesign that is reconfiguring the 1.5-million-square-foot, mixed-use facility as a bright, new contemporary space that welcomes shoppers and reconnects to Market Street with accessible storefronts, sidewalk cafés, a new streetscape, digital signage and graphics. The highlight of the newly reimagined space will be a stunning new glass-walled Center Court at Ninth and Market that will welcome tourists, office workers, conventioners, and residents alike.





## 2) EAST MARKET

**Location:** Southern block of Market between 11th and 12th Streets

**Developer:** National Real Estate Development

**Owner:** National Real Estate Advisors, JOSS Realty Partners, Young Capital, SSH Real Estate

**Size:** 135,000 sf of retail

**Investment:** \$350 Million (Phase I and Phase II)

**Completion:** 2017 (Phase I)

East Market, a \$600-million mixed-use project is located two blocks east of City Hall and immediately across the street from the landmark Reading Terminal Market and Pennsylvania Convention Center. The project is completely revamping the entire block between 11th and 12th, Market and Chestnut Streets, by creating and enhancing pedestrian-oriented retail both along Market Street and former alleys on Ludlow and Clover Streets. The project is also adding 562 new residential rental apartments, 175,000 sf of office space, parking, signage, and hospitality uses.

Phase I and II includes the construction of two new retail buildings with large format digital signage along Market Street with rental units above. The entire site will feature 175 below-grade parking spaces and a central loading facility. Also included in Phase I is the redevelopment of 34 South 11th Street (the former Family Court Building) into modern Class A warehouse office space above new ground-floor retail. This building is housing MOM's Organic Market and Design Within Reach, along with the relocated Marketplace Design Center above.

Subsequent phases will include demolishing and replacing the existing mixed-use building located on the 1100 block of Chestnut Street with retail, residential, office, and parking uses. Once complete, the project will reopen Ludlow and Clover Streets, now closed to pedestrian and vehicular traffic, and create a pedestrian walkway from Market Street to Chestnut Street, revitalizing and expanding the Market East retail district, as well as connecting it to the vibrant Midtown Village retail district just south of the project.





### 3) THE COLLINS

**Location:** 1112-1128 Chestnut Street

**Developer:** Brickstone Realty

**Size:** 95,000 sf of retail

**Investment:** \$75 Million

**Completion:** Spring/Summer 2016

Brickstone Realty's development on the 1100 block of Chestnut Street spans five parcels and includes 112 high-end rental units and 95,000 sf of commercial space. Target opened a 19,000-square-foot store in the summer of 2016, the brand's first in Center City, and a 14,000-square-foot liquor store, including space dedicated to wholesale. This project is extending the vibrancy of the Midtown Village retail district east along Chestnut Street and will connect foot traffic to Market Street, as National Real Estate Development's project comes to completion.

Other key properties in the vicinity acquired by the developer include: 15 South 11th Street, a 36,000-square-foot building that is being converted into coworking space; 106-14 South 11th Street, a 16,000-square-foot mixed-use building with retail and residential units; 1108-1110 Chestnut, a 16,920-square-foot building that will include 8,000 sf of retail; 1326 Chestnut Street, a historic building being converted into creative office space and retail; and a parking garage at 12th and Sansom to be converted into a large mixed-use project further down the line. Once complete, this critical mass of redevelopment will create a new vibrant, mixed-use district east of Broad with a built-in office and residential customer base.

### 4) THE CURTIS CENTER

**Location:** 699 Walnut Street

**Developer:** Keystone Property Group, Mack-Cali Realty Corp & Roseland, a Mack-Cali Company

**Size:** 50,000 sf of retail

**Investment:** \$25 Million

**Completion:** Spring 2017

The 885,000-square-foot Curtis Center is undergoing a \$25 million renovation that is transforming the quiet stretch along Washington Square Park into a vibrant urban corridor and adding luxury residential units as well as retail. Mack-Cali Realty Corporation and the Keystone Property Group acquired the building for \$125 million in the summer of 2014. Plans include the conversion of vacant office space into 63 luxury apartments and outdoor streetscape improvements. Retail is being added on the ground floor and includes an 11,000-square-foot P.J. Clarke's, the first Philadelphia location for the New York-based restaurant. The building will include a total of 50,000 sf of retail, 700,000 sf of office space and 100,000 sf of residential space.





## 5) THE WASHINGTON

**Location:** 510-530 Walnut Street

**Developer:** Keystone Property Group

**Size:** 20,000–40,000 sf of retail

**Status:** Announced

Keystone Property Group acquired One Washington Square, an 880,000-square-foot commercial property fronting both Washington Square and Independence National Parks, for \$114 million in June 2016. This represents Keystone's latest investment in the historic Independence Mall submarket. The developer is seeking to convert the building's ground-floor and mezzanine office space located at 530 Walnut Street into retail, reflecting the area's growing workforce and pedestrian traffic. Building on the success of adding retail to other buildings Keystone owns in the vicinity, they are currently marketing 20,000 to 40,000 sf of retail at One Washington.



## 6) THE BOURSE

**Location:** 400 Market Street, 325 Chestnut Street, 111 South Independence Mall East and 400 Ranstead Street

**Developer:** MRP Realty

**Investment:** \$40 Million

**Status:** Announced

Washington, D.C.-based MRP Realty purchased an Old City portfolio comprised of three office buildings and a garage with a movie theater, for \$110 million. Preliminary plans include upgrades to the Class B office space, as well as repositioning of the ground-floor retail at the Bourse. MRP plans to create a high-end food hall, similar to NYC's Chelsea Market, with 30 to 35 new vendors, most of which will be food related. This will create an amenity for their office tenants located upstairs and in surrounding buildings, as well as become a destination for Center City residents and the tourists that come to Independence Mall.



## 7) THE PUBLIC LEDGER BUILDING

**Location:** 600 Chestnut Street

**Developer:** Carlyle Development Group

**Size:** 77,000 sf of retail

**Status:** Announced

New York-based Carlyle Development group acquired the historic Public Ledger Building for \$58 million in 2015. The developer seeks to reposition the building's ground-floor as retail, add 60 residential units and a 150-room luxury hotel, as well as attract new office tenants to the aging commercial property. To create a retail and hospitality destination, the developer hopes to attract the right tenant mix to the 77,000 square feet of retail to be added on multiple floors throughout the building.





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CENTER CITY DISTRICT &  
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