



One Liberty Observation Deck, Matt Stanley

AT A GLANCE

DENSITY:

Greater Center City, the 7.7 square miles between Girard Avenue and Tasker Street, river to river, is 6% of Philadelphia's total land area. But it holds 42% of the city's 684,500 jobs, serves as the center for the burgeoning arts, entertainment, hospitality and retail industries, and accounts for more than 25% of the in-movers to Philadelphia between 2010 and 2014. Outside Greater Center City, an average of 23% of working residents commute to jobs downtown; within Greater Center City's neighborhoods, an average of 40% of employed residents work downtown; another 12% commute to nearby University City.

POPULATION GROWTH:

Since 2000, Greater Center City's population grew by 17% to 184,998, led by millennials and empty-nesters attracted to the diverse employment, educational, cultural and dining opportunities concentrated downtown. Developers have kept pace with demand, adding 5,600 new housing units in the past three years. Sixty-four percent (64%) of units completed in 2015 were rentals, with demand keeping pace with supply, as rents rose 3.2% between 2014 and 2015. Thirty-six percent (36%) of new units were single family or condominiums, largely concentrated

in Extended Center City. The price of all units in brokered sales in Greater Center City rose by 1% from 2014, while the days they remained on the market declined 5%.

DIVERSIFICATION:

In the past 25 years, Greater Center City has been transformed from a 9-to-5 office district into a thriving, mixed-use setting for business, innovation, education, cultural and civic activity, as well as one of the fastest growing residential locations in the region. Fifty-eight percent (58%) of downtown residents have a bachelor's degree (BA) or a higher degree.

Downtown's compact, walkable street grid concentrates 1,017 retailers, 426 arts and cultural organizations, 440 restaurants, and 365 outdoor cafés offering more than 5,200 sidewalk seats, activating Center City's sidewalks day and night.

EMPLOYMENT:

The prime driver of the downtown economy remains Center City's 40.4 million square feet of office space, holding 40% of downtown jobs. Occupancy rates rose from 86.7% in 2014 to 88.5% in 2015, pushing average asking rents to \$27.44 per

square foot. Center City's largest private employer, Thomas Jefferson University, Hospitals and Urgent Care center provided 12,021 jobs in 2015. It is joined by 10 other institutions of higher education that together welcomed 32,680 new and returning students and by four other hospitals - Pennsylvania Hospital, Magee Rehabilitation, Wills Eye Hospital and Hahnemann - whose net patient revenues totaled \$2.30 billion in 2014. As several University City institutions continue to expand their presence downtown, "Ed and Meds" remains Center City's second largest employment sector providing 20% of all jobs.

OPPORTUNITY:

Downtown's employers generate jobs that require a wide variety of skills and education: 38% of Center City jobs require a BA, 30% are accessible to those with an associate degree, while another 32% require no more than a high school diploma.

ACCESS:

Philadelphia's transportation systems make these jobs accessible to residents across the region; transit carries 290,665 riders into Center City each day. Thirty-eight percent (38%) of residents in Core Center City walk to work; and 6% of Greater Center City residents bike to work.

Indego bike share, launched in 2015 with 53 stations in Greater Center City, has enhanced downtown as a bicycle-friendly setting. Regional rail experienced a 3.4% increase in riders over 2014 and 4.1 million riders passed through Amtrak's 30th Street Station in 2015. Convention, tourism, business and leisure travel growth enabled Philadelphia International Airport (PHL) to serve 31.4 million passengers, a 2.3% increase over 2014, the highest level since 2008.

DEVELOPMENT:

Construction cranes visible across the skyline represent an investment by local and national developers and expanding education and healthcare institutions of \$5.2 billion. The \$1.5 billion Comcast Innovation and Technology Center is expected to add several thousand new jobs to Center City and spur both tech and professional services growth when it opens in 2018. Successful management of the Pennsylvania Convention Center and strategic investments in convention and tourism marketing creates demand for another 2,772 hotel rooms that will be added to Center City's supply by 2019.

Expanding leisure travel produced dramatic attendance growth in 2015 at the Liberty Bell (23%), Franklin Institute (18%), Philadelphia Museum of Art (17%), African American Museum in Philadelphia (10%), and the Kimmel Center (25%). Since the Pennsylvania Convention Center opened in 1993 and tourism marketing commenced in the late 1990s, Greater Center City has benefitted from a 98% increase in hotel room supply from

5,613 to 11,119 in 2015, while demand enabled the city to post its highest hotel occupancy rate (76.7%) in recent years.

FAVORABLE PUBLICITY:

Widespread news coverage has burnished Philadelphia's reputation. The *New York Times* named Philadelphia third in its "52 Places to Go in 2015," and both *Zagat* and the *Washington Post* included Philadelphia in their annual top 10 U.S. food cities in 2015. Philadelphia's recent designation as a UNESCO World Heritage City raises our international profile, as does the hosting of the Democratic National Convention.

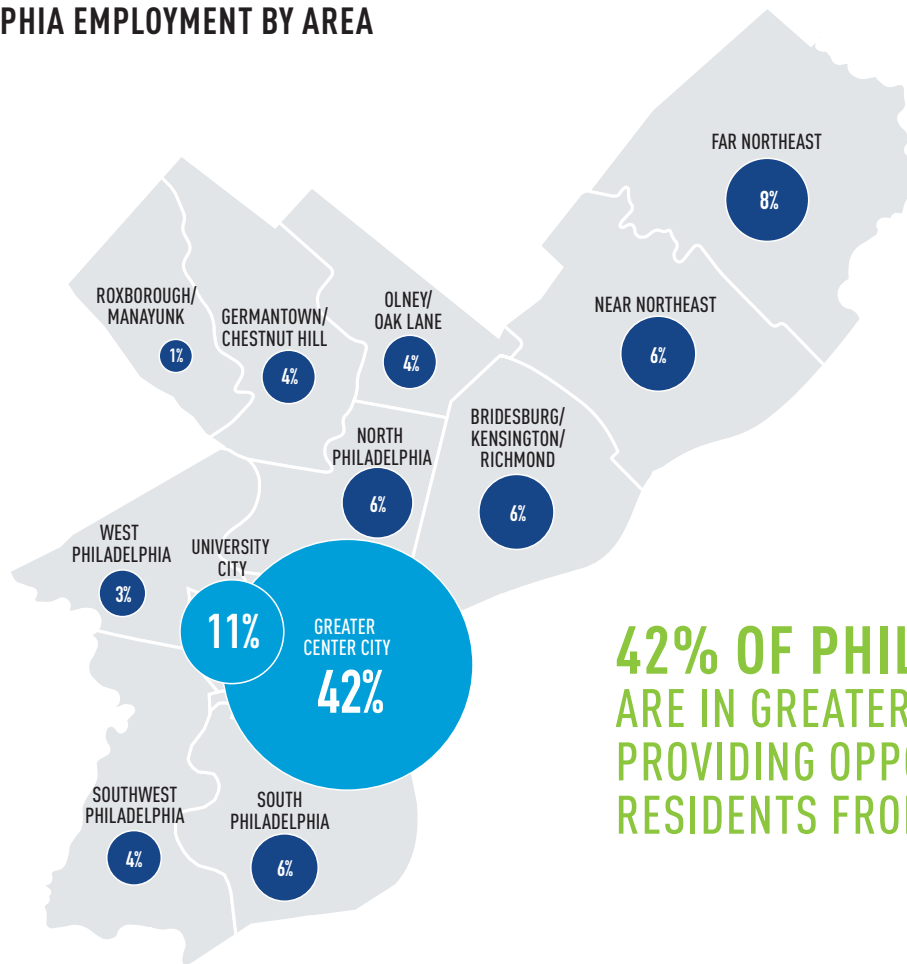
CHALLENGES:

Rising office and hotel occupancy rates and rents, as well as demand for the 5,800 housing units that are scheduled for completion downtown during the next three years can only be sustained if there is more dynamic job growth in the city. Even more compelling, only when Philadelphia's growth matches and exceeds that of peer cities will we be able to provide the volume of jobs necessary to reduce the city's unemployment and poverty rates, while providing adequate funding for schools.

CENTER CITY KEY FACTS

Total Wage & Salary Jobs	286,427
Office Square Feet	40,363,989
Office Occupancy	88.5%
Coworking Square Feet	127,850
Hotel Rooms	11,119
Hotel Room Occupancy	76.7%
Average Daily Room Rate	\$182
Retailers	1,017
Full-Service Restaurants	440
Cafés/Bakeries/Quick-Service Restaurants	431
Hospitals	5
Arts & Cultural Institutions	426
Colleges & Universities	11
Total Enrollment in Higher Education	32,680
Annual Philadelphia International Airport Passengers	31,444,403
Annual Amtrak 30th Street Station Passengers	4,138,777
Average Weekday Center City Transit Ridership (All Modes)	290,665
Housing Units Completed	1,538
Average Home Sale Price	\$430,068
Apartment Median Asking Rent	\$1,850
Greater Center City Population	184,998
Percent of Residents with a Bachelor's or More	58%

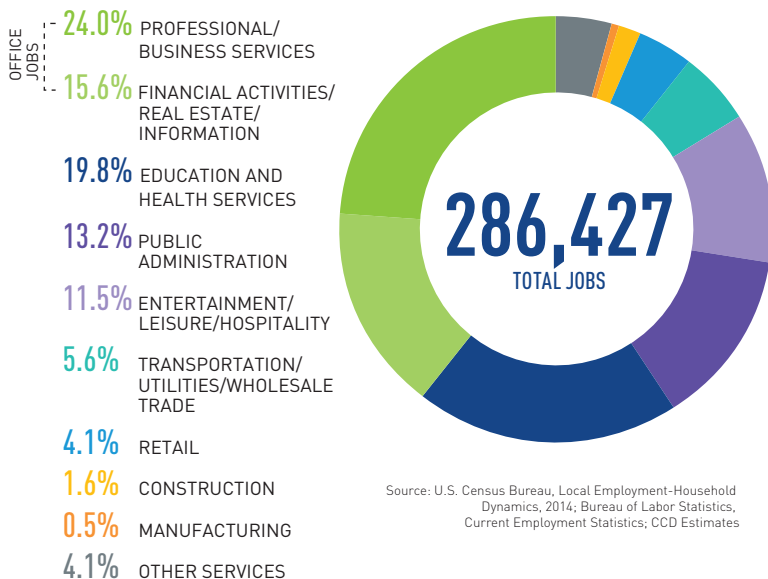
PHILADELPHIA EMPLOYMENT BY AREA



42% OF PHILADELPHIA JOBS ARE IN GREATER CENTER CITY, PROVIDING OPPORTUNITIES FOR RESIDENTS FROM ACROSS THE CITY.

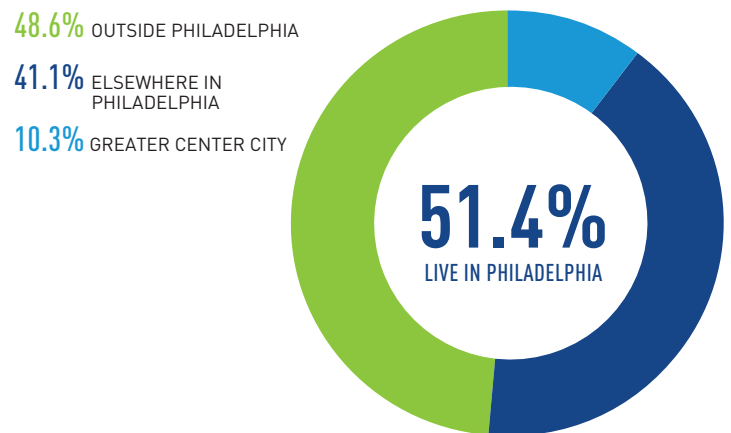
Source: U.S. Census Bureau, Local Employment-Household Dynamics 2014

GREATER CENTER CITY WAGE & SALARY EMPLOYMENT



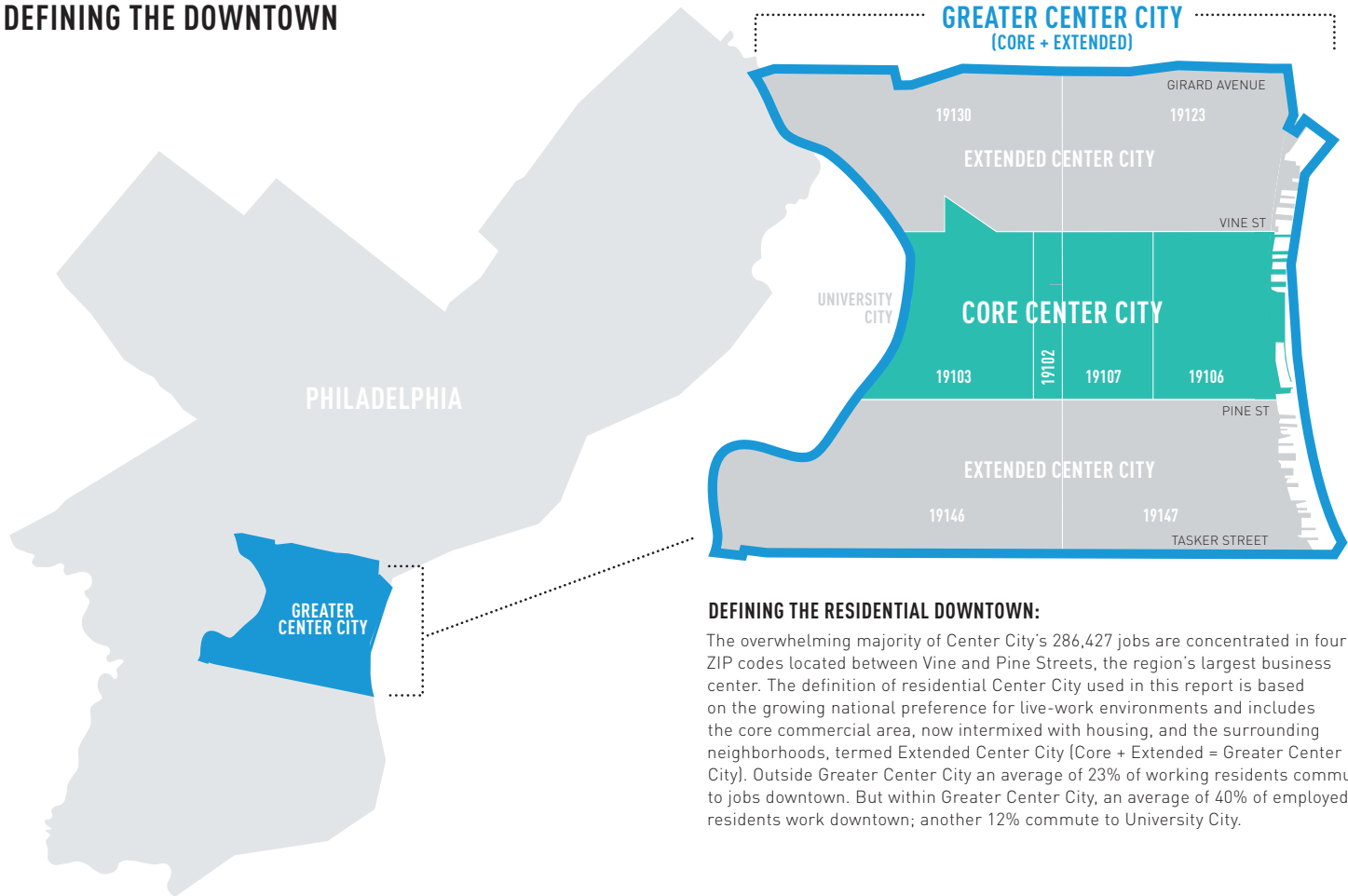
Source: U.S. Census Bureau, Local Employment-Household Dynamics, 2014; Bureau of Labor Statistics, Current Employment Statistics; CCD Estimates

WHERE DOWNTOWN WORKERS LIVE



Source: U.S. Census Bureau, Local Employment-Household Dynamics 2014

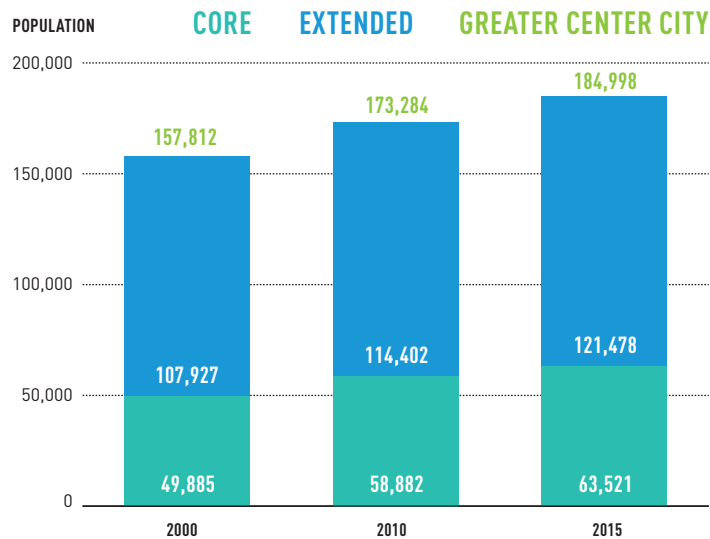
DEFINING THE DOWNTOWN



DEFINING THE RESIDENTIAL DOWNTOWN:

The overwhelming majority of Center City's 286,427 jobs are concentrated in four ZIP codes located between Vine and Pine Streets, the region's largest business center. The definition of residential Center City used in this report is based on the growing national preference for live-work environments and includes the core commercial area, now intermixed with housing, and the surrounding neighborhoods, termed Extended Center City (Core + Extended = Greater Center City). Outside Greater Center City an average of 23% of working residents commute to jobs downtown. But within Greater Center City, an average of 40% of employed residents work downtown; another 12% commute to University City.

GREATER CENTER CITY POPULATION



Source: U.S. Census Bureau, 2000 and 2010 Decennial Census; CCD Estimates

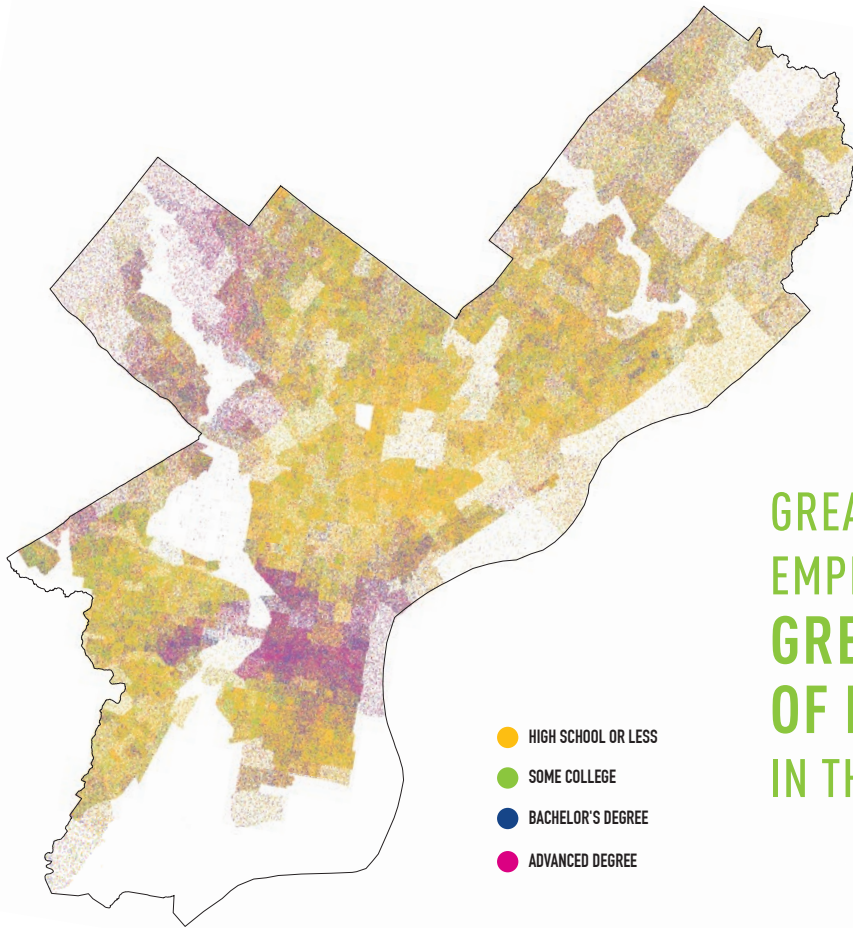
GREATER CENTER CITY RACIAL DIVERSITY

- 62.0% WHITE
- 24.4% BLACK OR AFRICAN AMERICAN
- 9.4% ASIAN
- 2.5% TWO OR MORE RACES
- 1.6% OTHER



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

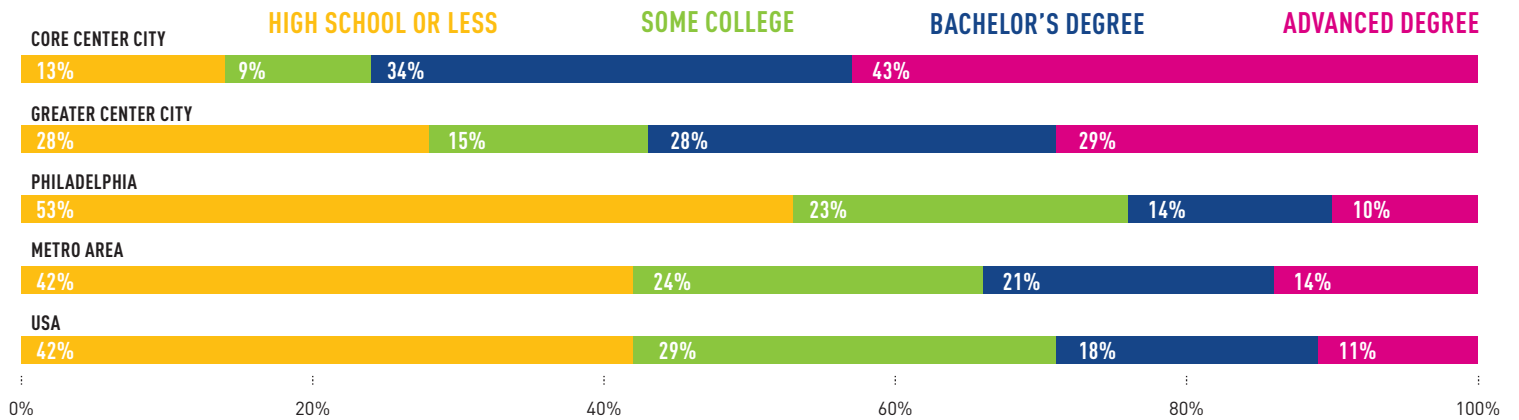
EDUCATIONAL ATTAINMENT, POPULATION 25 AND OVER, 2015



Source: US Census Bureau, American Community Survey 2010-2014

GREATER CENTER CITY PROVIDES EMPLOYERS WITH ONE OF THE GREATEST CONCENTRATIONS OF EDUCATED WORKERS IN THE REGION.

EDUCATIONAL ATTAINMENT, POPULATION 25 AND OLDER



Source: US Census Bureau, American Community Survey 2010-2014