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.

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.

Defining Center City Philadelphia

Greater Center City
(Core + Extended)

Extended Center City

19130 19123
Girard Ave

19104 19102 19106
Vine St

19107 19108
Tasker St

19146 19147

Food & Beverage
Newly Opened: 32
Coming Soon: 18

Retailers
Newly Opened: 27
Coming Soon: 5

Service Providers
Newly Opened: 11
Coming Soon: 3
1,871 Existing Storefronts in the Center City District.

550 Restaurants (29%)
- 222 Full Service Restaurants
- 204 Takeout, Sandwich & Quick Service
- 59 Coffee Shops

530 Retail Stores (28%)
- 134 Apparel
- 116 Jewelry
- 68 Food & Drink
- 44 Beauty, Health & Fitness
- 37 Entertainment, Arts & Recreation
- 24 Home & Garden
- 22 Electronics

460 Service Providers (25%)
- 105 Beauty
- 75 Bank & Financial
- 71 Health
- 35 Fitness
- 18 Laundry
- 18 Legal
- 14 Real Estate
- 10 Professional Services

- 331 Vacancies (18%)

Figure 1: Center City Storefront Operating Status

<table>
<thead>
<tr>
<th>Pre-COVID</th>
<th>June 2020</th>
<th>June 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacant</td>
<td>11%</td>
<td>18%</td>
</tr>
<tr>
<td>Occupied</td>
<td>89%</td>
<td>82%</td>
</tr>
</tbody>
</table>
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 by transit.
- 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.
- Core 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.

**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

**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.
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 streetery 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.

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.

Collages 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.

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.
**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.**

**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.**