



MAY 5, 2022



CENTRAL PHILADELPHIA  
DEVELOPMENT  
CORPORATION

# The fragility of downtowns



# Reasons for optimism



# Full recovery depends on leadership

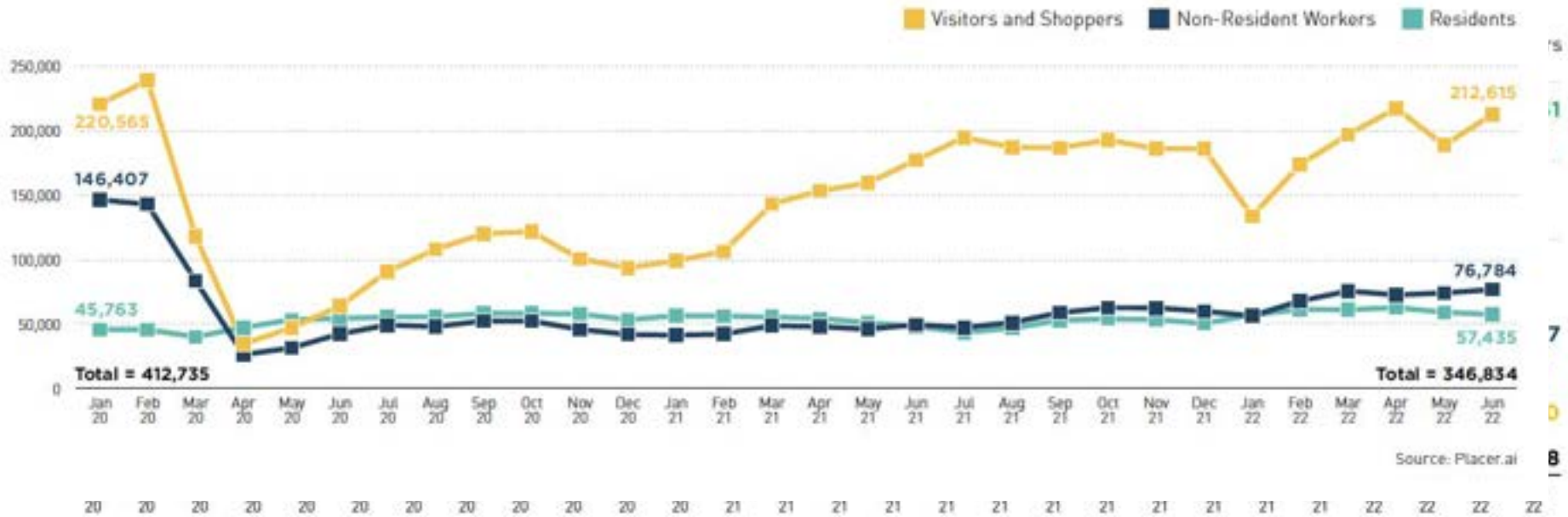


# Don't anthropomorphize asset classes



# Pedestrians of all categories are back

Center City Pedestrians: Residents, Non-Resident Workers, and Visitors (Average Daily)



Source: Placer.ai

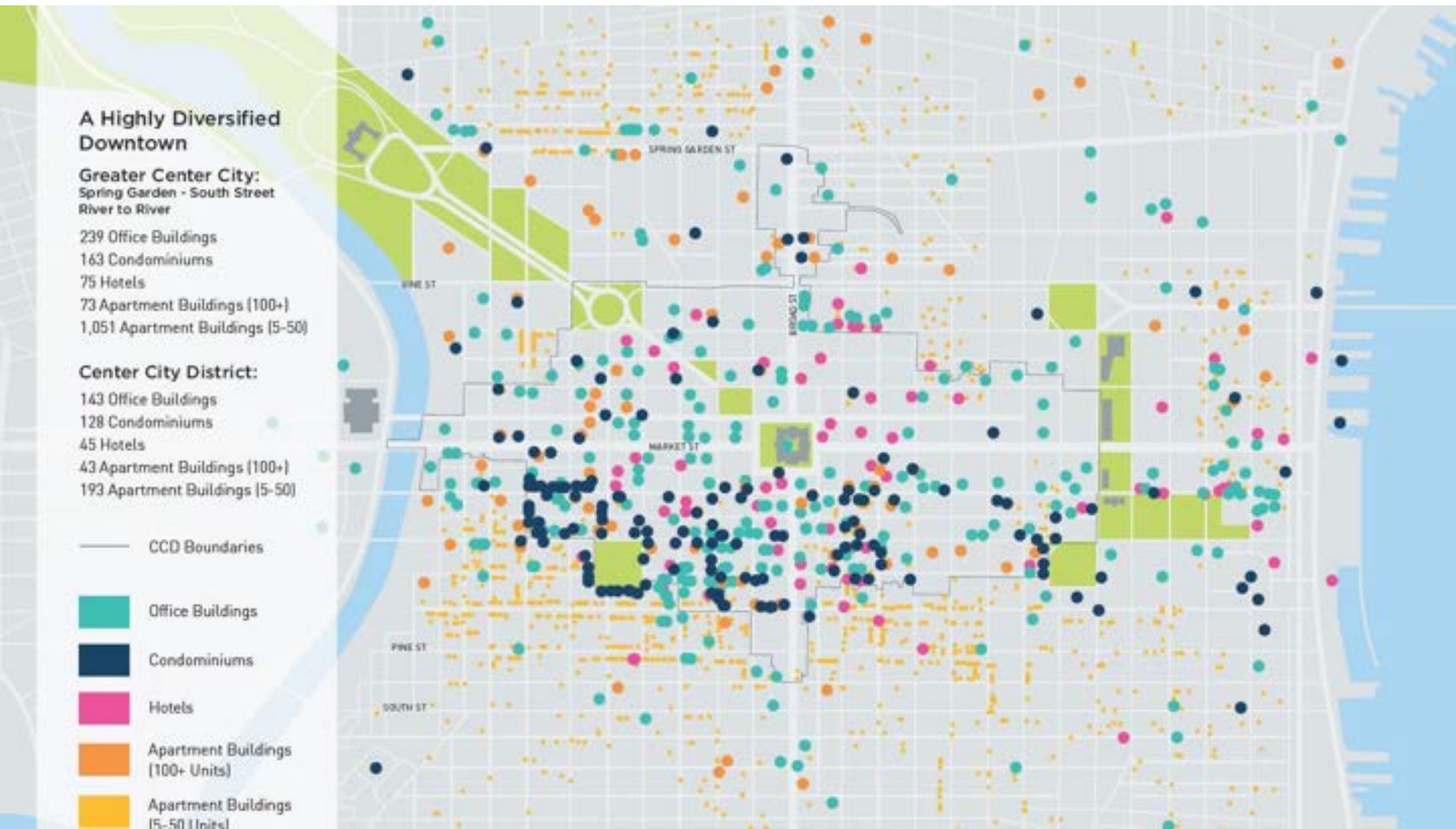
Source: Placer.ai

# Pedestrians are back all across Center City

April Average Daily Pedestrians, Weekdays



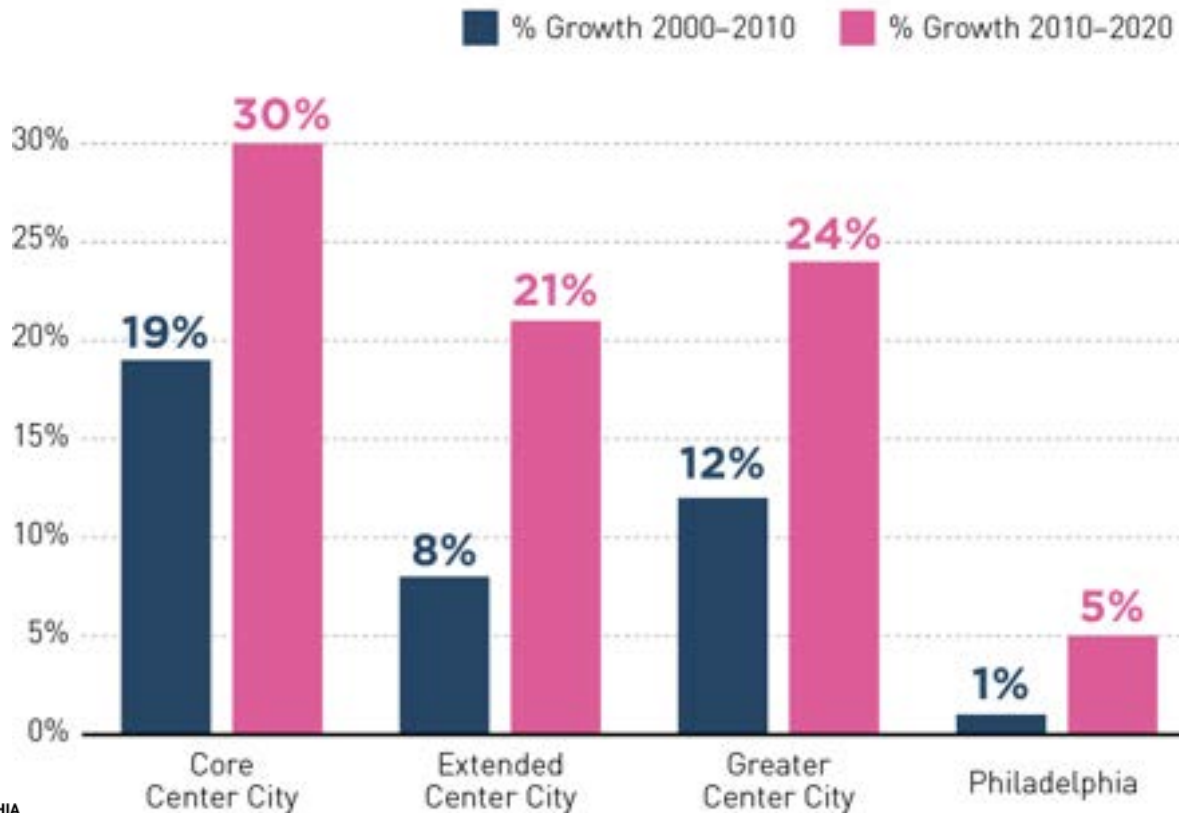
# A highly diversified downtown insulates Philadelphia from a more pronounced downturn





# The third largest downtown residential population in the United States...

Percentage Change in Population,  
Center City and Philadelphia



# ...and a healthy pipeline of new units.

## Philadelphia Housing Units Proposed or Under Construction as of December 31, 2021

AREA	UNITS	PERCENT OF CITYWIDE TOTAL
<b>Core Center City</b>		
West [19102, 19103]	2,393	7%
East [19106, 19107]	1,972	6%
<b>Total</b>	<b>4,365</b>	<b>13%</b>
<b>Extended Center City</b>		
Northwest [19130]	2,085	6%
Northeast [19123]	8,064	23%
Southwest [19146]	1,322	4%
Southeast [19147]	1,443	4%
<b>Total</b>	<b>12,914</b>	<b>37%</b>
<b>Greater Center City</b>		
<b>Total</b>	<b>17,279</b>	<b>50%</b>
<b>Adjacent ZIP codes</b>		
Northwest [19121]	979	3%
North [19122]	3,194	9%
Northeast [19125]	2,422	7%
Southwest [19145]	365	1%
Southeast [19148]	231	1%
<b>Total</b>	<b>7,191</b>	<b>21%</b>
<b>Greater CC + Adjacent ZIP Codes Total</b>	<b>24,470</b>	<b>71%</b>
<b>Philadelphia Total</b>	<b>34,612</b>	<b>100%</b>

Greater Center City

**17,279** units

Adjacent ZIP Codes Total

**7,191** units

Greater Center City and  
Adjacent ZIP Codes

**24,470** units

**71%** of Citywide Total

**34,612** units

# The market remains strong

## Residential Sales, Median Sale Price, and Days on Market in Center City and Philadelphia

AREA	2019	2020	2021	% CHANGE 2019-2020	% CHANGE 2020-2021	% CHANGE 2019-2021
<b>Sales</b>						
Core Center City	803	732	1,110	-9%	52%	38%
Extended Center City	2,221	2,485	3,234	12%	30%	46%
Greater Center City	3,024	3,217	4,344	6%	35%	44%
Adjacent ZIP Codes	2,566	2,861	3,338	11%	17%	30%
Philadelphia	16,924	16,341	19,285	-3%	18%	14%
<b>Median Sale Price</b>						
Core Center City	\$405,000	\$432,000	\$425,000	7%	-2%	5%
Extended Center City	\$405,000	\$427,000	\$451,250	5%	6%	11%
Greater Center City	\$405,000	\$429,900	\$449,950	6%	5%	11%
Adjacent ZIP Codes	\$280,000	\$300,000	\$310,000	7%	3%	11%
Philadelphia	\$214,500	\$240,000	\$263,000	12%	10%	23%
<b>Average Days on Market</b>						
Core Center City	115	89	108	-23%	21%	-6%
Extended Center City	75	53	54	-30%	2%	-28%
Greater Center City	85	61	69	-28%	13%	-19%
Adjacent ZIP Codes	70	58	56	-17%	-3%	-20%
Philadelphia	45	44	37	-3%	-16%	-19%

# A robust mixed use development pipeline - \$4B!

## Developments in Center City, 2021

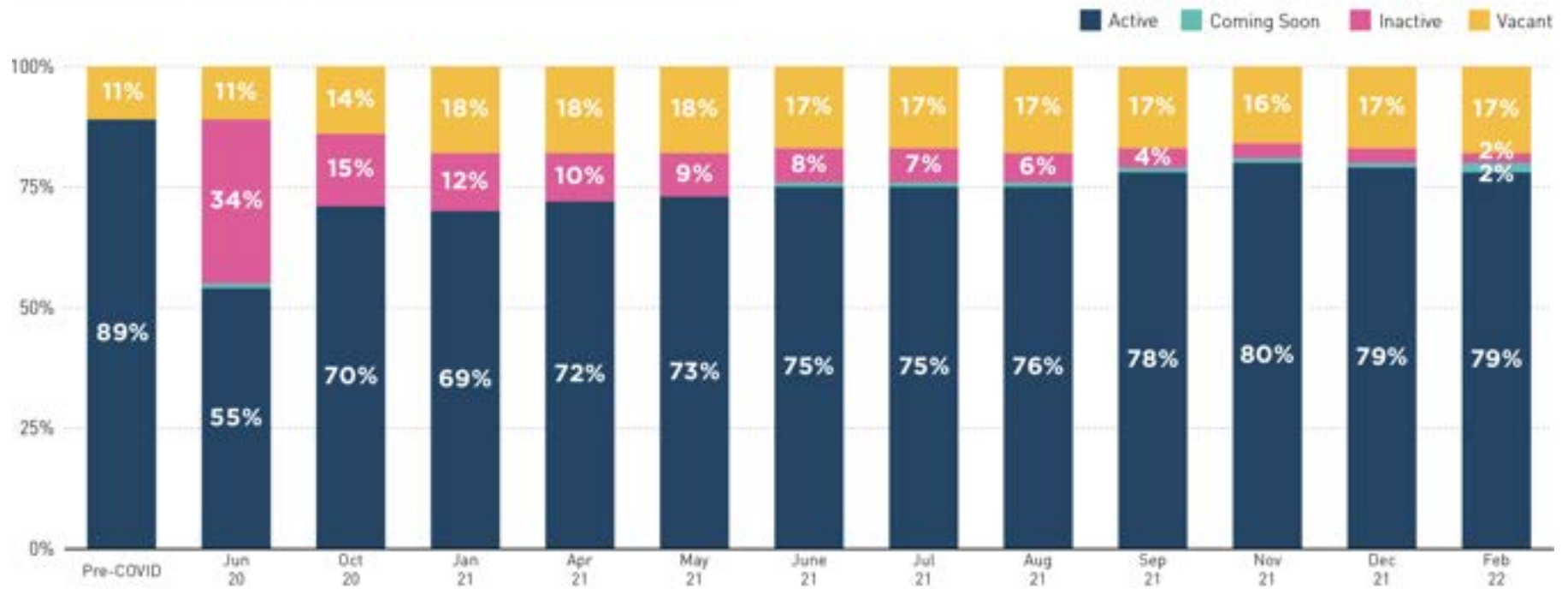
- Commercial/  
Mixed-Use
- Cultural
- Government
- Health Care/  
Education
- Hospitality
- Public Space
- Residential
- Residential/  
Mixed-Use

Source: Developments Database 2021,  
Center City District



# Retail resilience

## Recovery Status of Center City Storefront Businesses



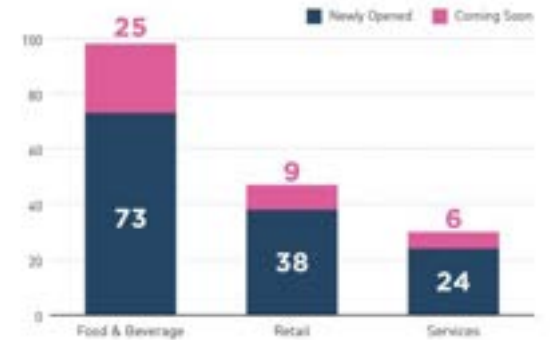
Source: Center City District

# Retail resilience



**175**  
New Businesses  
Openings

Center City Street-Level Business Openings,  
2020-Present



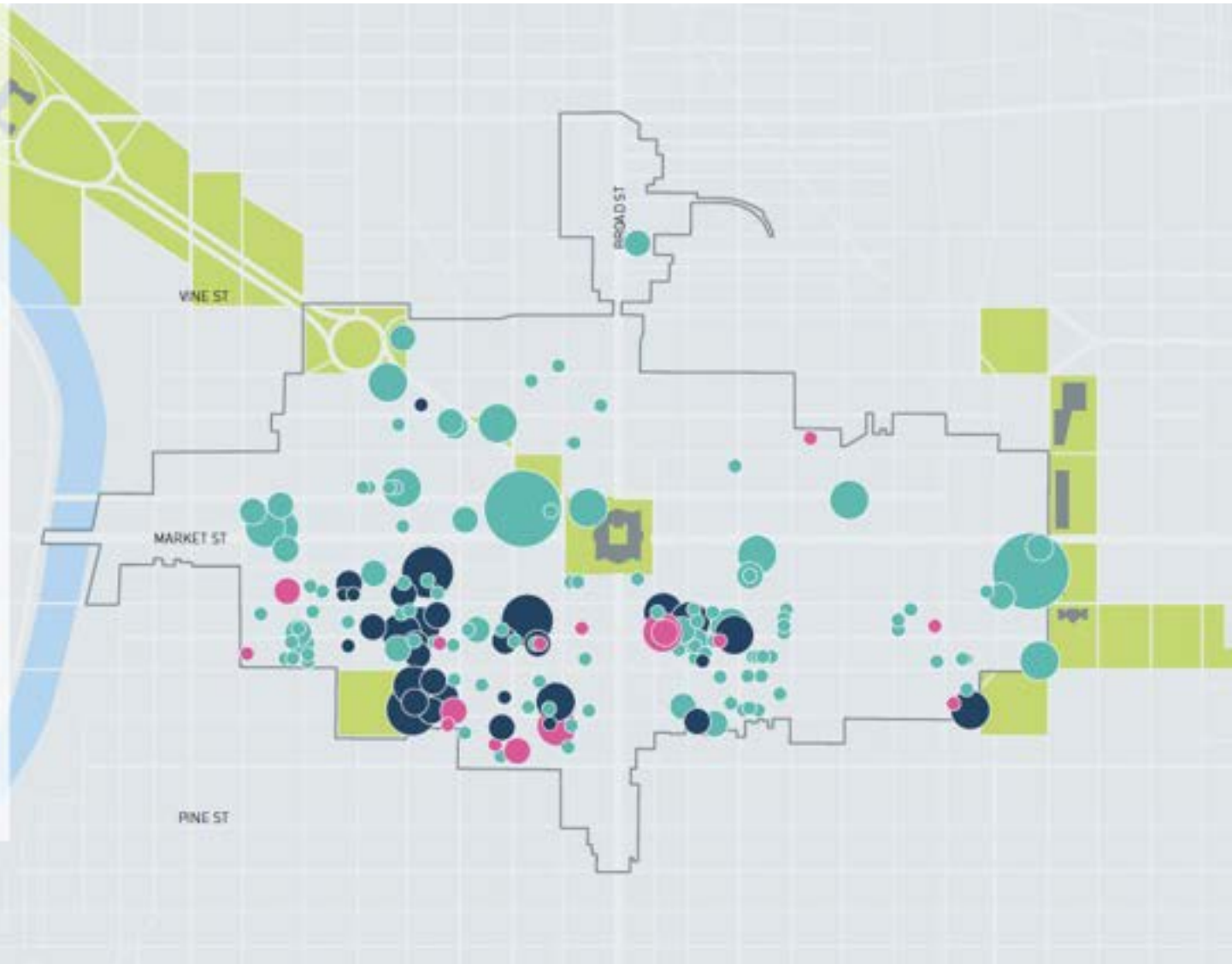
# Outdoor dining demand up

FIGURE 7:  
OUTDOOR SEATING  
JUNE 2022

- Streeterly
- Sidewalk Cafe & Streeterly
- Sidewalk Cafe
- Center City District

Number of Seats

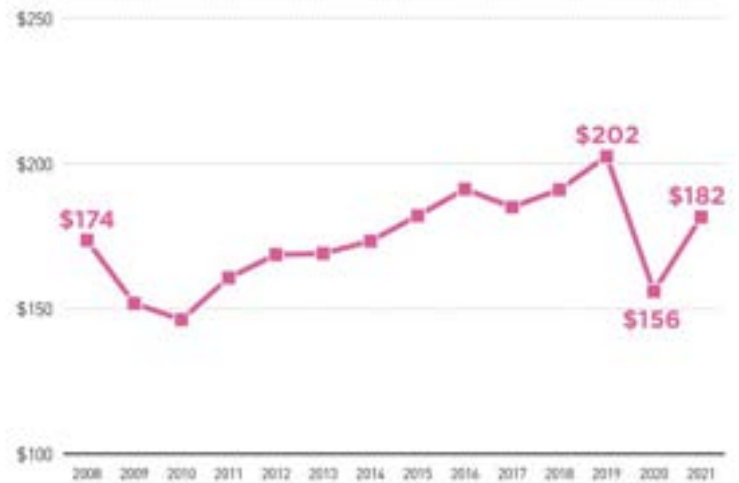
- 2-25
- 26-50
- 51-100
- 101-200
- 201-500



# Tourism rebounds



Center City Hotel Average Daily Room Rate, 2008-2021



Source: Philadelphia Convention & Visitors Bureau



# \$1.1B in NIH funding for Philadelphia research institutions



# A life sciences industry that lifts all boats



## Greater Center City Life Science Inventory

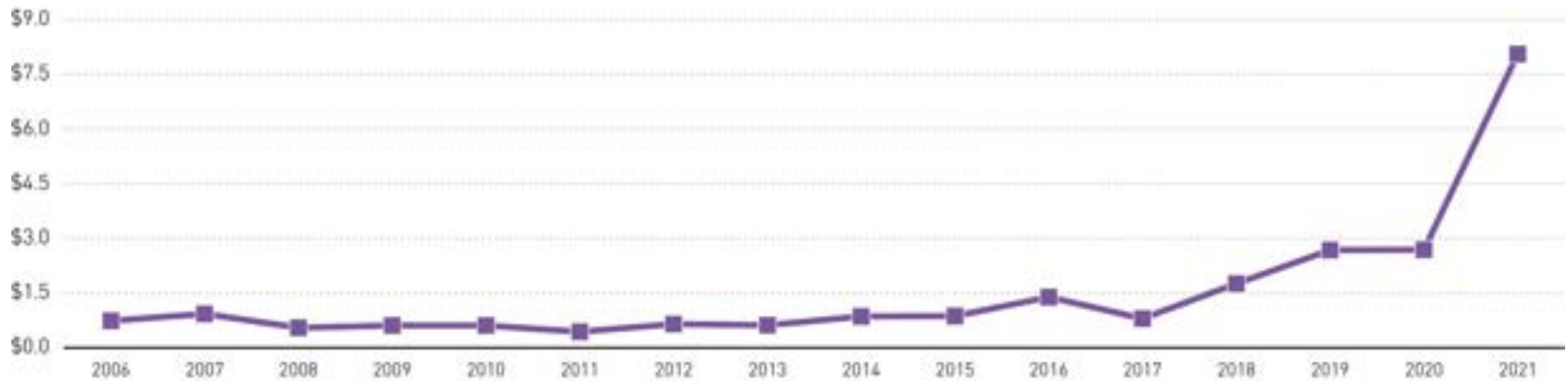
-  Buildings with current life science tenants
-  Buildings with infrastructure in place to accommodate life science tenants
-  Buildings prepared to make infrastructure enhancements to accommodate life science tenants
-  Buildings under construction for primarily life science tenants
-  Proposed new construction for primarily life science tenants

## Lab Space Square Footage



# Unprecedented venture capital growth

Value of Venture Capital Deals in Philadelphia Region  
(\$ in Billions)



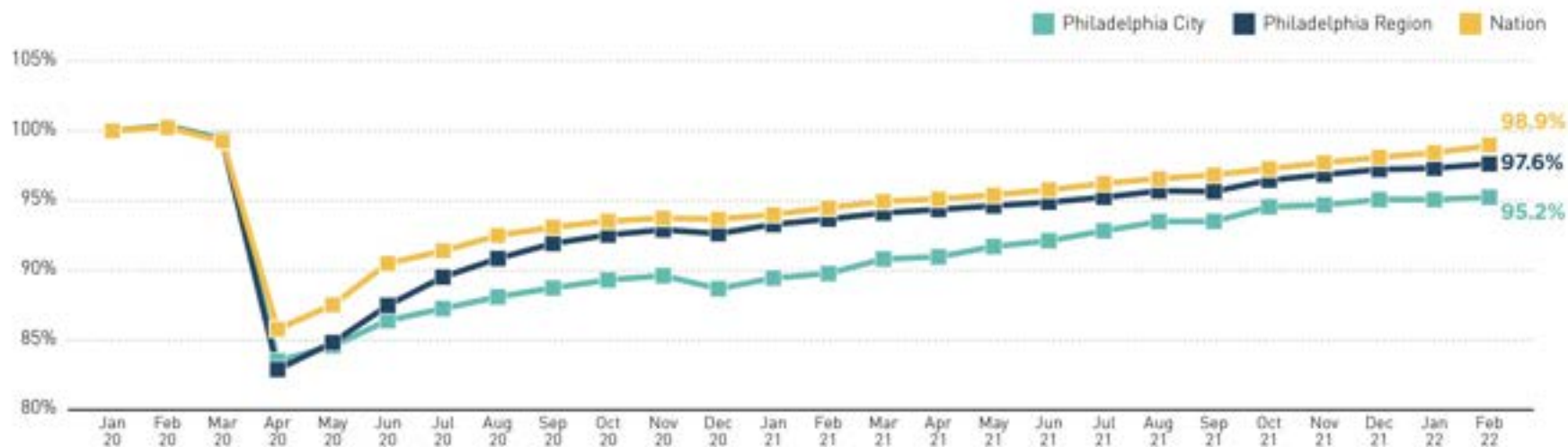
Source: PitchBook

# Employment is recovering

Philadelphia Non-Farm Payroll Employment, Seasonally Adjusted, 2020-2022  
(in Thousands)



Non-Farm Payroll Employment as a Percentage of January 2020



Source: Bureau of Labor Statistics, Current Employment Statistics, Seasonally Adjusted

# Office, health care, and education rebounds...

CITY OF PHILADELPHIA EMPLOYMENT BY INDUSTRY (IN THOUSANDS)

	FEB. 2020	APR. 2020	% CHANGE FEB. 2020- APR. 2020	NOV. 2021	DEC. 2021 (PRELIMINARY)	% CHANGE NOV. 2021- DEC. 2021	% CHANGE FEB. 2020- DEC. 2021	DEC. 2021 AS A % OF FEB. 2020
<b>All Industries</b>	<b>750.2</b>	<b>626.8</b>	<b>-16.4%</b>	<b>688.8</b>	<b>692.7</b>	<b>0.6%</b>	<b>-7.7%</b>	<b>92.3%</b>
Mining, Logging and Construction	11.4	6.8	-40.4%	10.9	10.6	-2.8%	-7.0%	93.0%
Manufacturing	18.9	14.4	-23.8%	17.6	17.6	0.0%	-6.9%	93.1%
Wholesale Trade	14.5	12.4	-14.5%	13.7	13.8	0.7%	-4.8%	95.2%
Retail Trade	48.4	36.2	-25.2%	47.4	48.6	2.5%	0.4%	100.4%
Transportation, Warehousing and Utilities	30.4	25.5	-16.1%	28.1	28.8	2.5%	-5.3%	94.7%
Information	16.2	15.0	-7.4%	16.5	16.5	0.0%	1.9%	101.9%
Financial Activities	43.0	41.2	-4.2%	40.3	40.5	0.5%	-5.8%	94.2%
<b>Professional and Business Services</b>	<b>106.4</b>	<b>94.2</b>	<b>-11.5%</b>	<b>100.4</b>	<b>101.7</b>	<b>1.3%</b>	<b>-4.4%</b>	<b>95.6%</b>
Professional, Scientific and Technical Services	61.7	58.6	-5.0%	61.3	62.6	2.1%	1.5%	101.5%
Educational Services	78.1	72.5	-7.2%	72.6	70.3	-3.2%	-10.0%	90.0%
Health Care and Social Assistance	172.5	159.1	-7.8%	165.4	164.8	-0.4%	-4.5%	95.5%
Hospitals	58.7	57.4	-2.2%	57.0	57.1	0.2%	-2.7%	97.3%
Leisure and Hospitality	74.5	29.2	-60.8%	53.7	54.3	1.1%	-27.1%	72.9%
Accommodation and Food Services	61.9	21.1	-65.9%	44.4	44.2	-0.5%	-28.6%	71.4%
Other Services	29.0	19.2	-33.8%	24.7	24.8	0.4%	-14.5%	85.5%
Government	107.1	105.6	-1.4%	107.3	107.3	0.0%	0.2%	100.2%
Federal Government	31.0	31.1	0.3%	31.7	31.7	0.0%	2.3%	102.3%
State Government	10.9	10.6	-2.8%	10.5	10.5	0.0%	-3.7%	96.3%
Local Government	65.2	63.9	-2.0%	65.1	65.1	0.0%	-0.2%	99.8%

# ... but leisure and hospitality jobs do not

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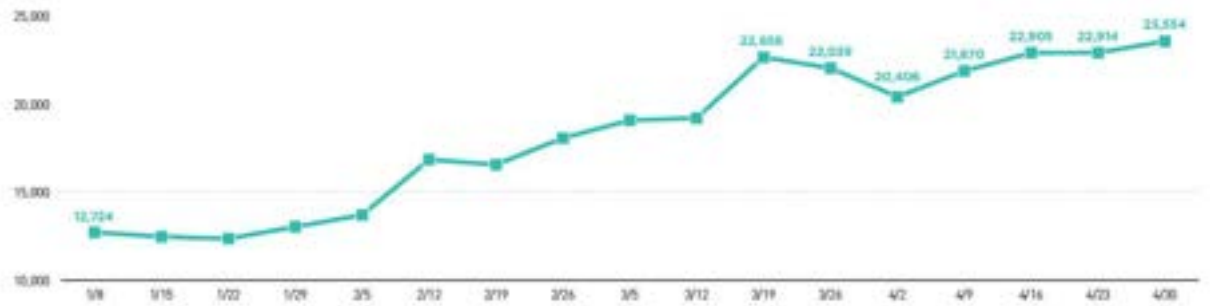
# Challenges ahead if the office workers don't return



# Reasons for optimism and impatience



Average Daily Pedestrian, Office Cameras





# There is no equitable and sustainable recovery without a full downtown recovery

