

2025

CBRE

A woman with dark hair in a ponytail, wearing a brown jacket, is seen from the side, looking into a store window. Inside the window, several coats are hanging on a rack. The scene is lit with soft, cool-toned lights, creating a modern retail atmosphere.

Greater Philadelphia Mid-Year Retail Market Review

Greater Philadelphia Retail Outperforming the National Trend

Driven by the rise of experiential concepts, strategic redevelopment initiatives, and steady labor market performance, the Greater Philadelphia retail sector has witnessed significant activity this year. Retail employment in the metro area grew by 0.5% year-over-year, outpacing the national increase of 0.1%. This modest but meaningful growth underscores the region's resilience at a time when automation and AI are reshaping the retail workforce nationwide.

YEAR-OVER-YEAR CHANGE IN RETAIL EMPLOYMENT



Experiential Retail Takes Center Stage in Philadelphia

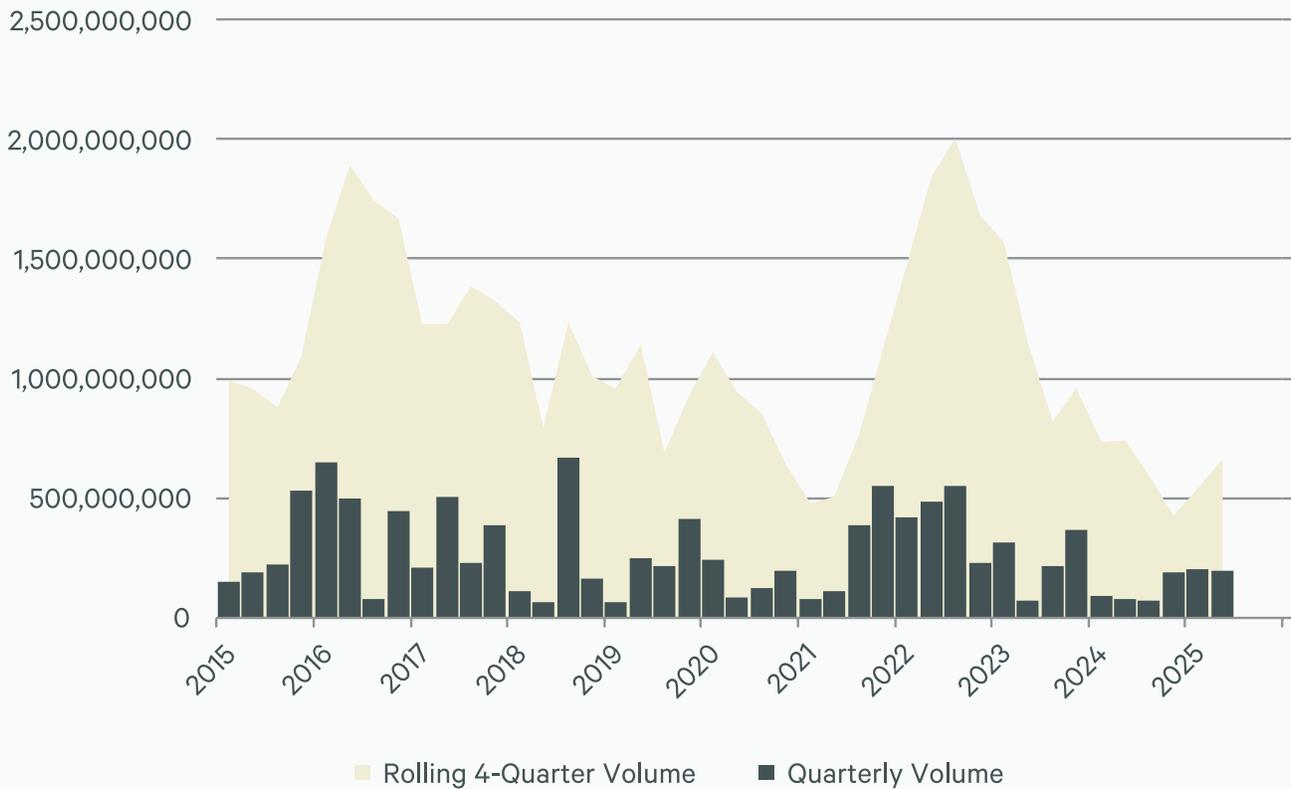
Experiential retail continues to gain momentum across the market. One of the most notable developments is Netflix House, the company's first immersive retail venue set to open on November 12 at King of Prussia Mall. The mall already maintains a strong occupancy rate of 95.8%, and Netflix House is projected to attract between two and three million visitors annually with a combination of themed dining, interactive attractions, and exclusive merchandise. Another highly anticipated fall opening is Eatly, also at King of Prussia Mall, which will be operating in 23,000 sq. ft., a combination of former Rite Aid and Forever 21 stores. Eatly features food and retail through a unique dining experience.

Redevelopment efforts are enhancing the retail landscape as the former office tower at Cherry Hill Mall is being demolished to make way for a Dick's House of Sport, while TruGolf Links has announced plans for a flagship location nearby. Meanwhile, Center City continues to attract interactive operators such as F1 Arcade, Flight Club, Five Iron Golf, and Sandbox VR, reinforcing Philadelphia's growing reputation as a hub for consumer-driven retail experiences.





PHILADELPHIA METRO RETAIL INVESTMENT SALES VOLUME (\$)



Philadelphia Positioned for Long-Term Growth

Capital markets activity is accelerating in tandem with redevelopment. Store closures from bankrupt chains such as Rite Aid and Big Lots are creating opportunities for repositioning, while grocery-anchored centers remain highly sought after for their stability and consistent foot traffic.

Retail investment volume surged 161.8% year-over-year, with private capital accounting for nearly three-quarters of all transactions. Among the region's five largest retail deals in the past 12 months, four involved grocery-anchored centers. The fifth, Exton Square Mall, is being redeveloped into a mixed-use destination that will integrate retail, residential, office, and entertainment components. Similar adaptive reuse projects are underway at Neshaminy Mall and Moorestown Mall, reflecting a broader trend toward repositioning underperforming retail assets into vibrant, mixed-use environments that align with evolving consumer preferences and urban planning goals.

Looking ahead, growth-oriented operators are expanding aggressively across Greater Philadelphia, leveraging strategic vacancies and responding to evolving consumer demand. Notable brands ranging from Raising Cane's to Barnes & Noble and Boot Barn are actively growing their footprints in the region. As the popularity of experience-based retail booms, several pickleball concepts including Dill Dinkers, Pickleball Kingdom, and Bounce Pickleball have targeted the area for expansion. At the same time, grocers such as Aldi and Giant are advancing their local growth strategies, while Trader Joe's has accelerated deal activity across the region.

With a variety of retailers performing well, Greater Philadelphia stands out as a resilient and adaptive market with a strong foundation and a dynamic pipeline of projects, offering long-term growth opportunities for retailers, developers, and investors.



Joseph Gibson
Director of Research
+1 610 727 5922
joseph.gibson@cbre.com

Aliza Kahn
Senior Field Research Analyst
+1 610 386 6019
aliza.kahn@cbre.com



REPORT



PHILADELPHIA RETAIL



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