

Market Growth Fueled by Local Flavor and Investor Confidence

▲ 8.3%
Availability Rate

▲ \$19.41
NNN/Avg. In-Line Asking Rent

▼ \$15.07
NNN/Avg. Anchor Asking Rent

▲ 394.9 K
Shopping Center Under Construction

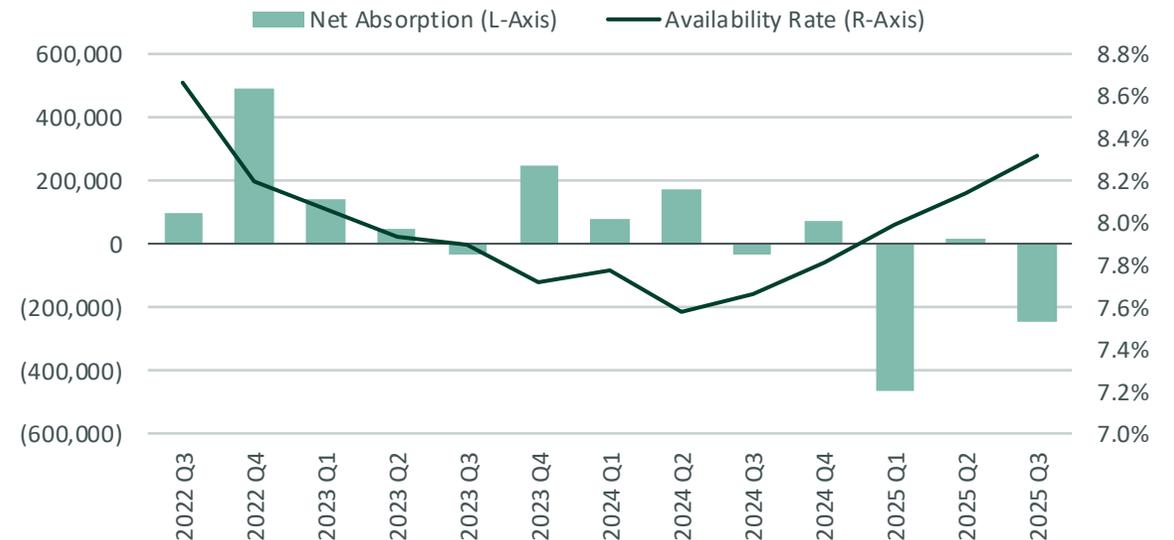
Note: Arrows indicate change from previous quarter.

The Greater Philadelphia retail market sustained strong fundamentals in the third quarter of 2025, with culinary-driven expansion at the helm of the region’s retail landscape. Openings of unique new venues, prominent restaurant debuts, and strategic growth by both local and national brands reflected the adaptability and responsiveness of the market to evolving consumer preferences for experience-driven and community-focused retail.

Center City saw pedestrian traffic return to near pre-pandemic levels, with retail occupancy at a healthy 83%, according to the Center City District. Experiential retail thrived, particularly in urban areas. Fishtown welcomed Ballers, a celebrity-backed sports complex and restaurant, while Fetch Park secured a lease in Manayunk, bringing its dog-friendly social hub to the city. Grocery operators also made headlines as Amazon Fresh opened its long-awaited Northern Liberties location.

Philadelphia’s dynamic restaurant scene further evolved this quarter, with culinary innovation taking center stage. In the heart of Rittenhouse Square, Stephen Starr’s Borromini debuted, offering a two-story Italian dining experience. Chef Phila Lorn expanded his presence with Sao, a crudo and oyster bar in South Philadelphia. Fishtown saw the arrival of Medium Rare, a prix-fixe steak frites chain, and Northern Liberties and Center City gained two new BYOB concepts,

FIGURE 1: Supply vs. Demand



Source: CBRE Research, 2025.

Mana Modern Chinese and Musette Rittenhouse. These additions highlight the city’s renowned national culinary reputation.

The restaurant sector also flourished in the suburbs. On the Main Line, Tripple Crown and Burtons Grill & Bar opened, with the latter planning further expansion with another location in Newtown. Brands including Little Caesars, Taim Mediterranean Kitchen, and Wing It On announced aggressive expansion plans across the region. Complementing the food and beverage scene, boutique fitness and pet-focused concepts gained traction. Jetset Pilates shared plans for 12 new studios in the area, K9 Resorts opened a luxury pet hotel in Wayne, and Doggie Style Pets announced plans to expand to 25 stores by 2026, including a pet bakery in Collingswood.

Investors’ confidence in grocery-anchored centers remained strong this quarter, reflected not only in notable transactions but also in rising asset values. Bensalem Crossing in Bucks County and Henderson Square in Montgomery County were sold for \$12.5 million and \$34.5 million, respectively. The former is a 93% occupied center anchored by ShopRite, while the latter, spanning 107,000 sq. ft., features Genuardi’s as its primary tenant. In Old City, Dunkin’ acquired the historic Shirt Corner property for \$1.1 million, demonstrating its focus on Philadelphia’s urban core.

Retail values in Greater Philadelphia surged this quarter, with the average price per square foot increasing by 23% quarter-over-quarter. This sharp rise stands in contrast to the national trend, in which retail pricing slightly declined this quarter, highlighting the region’s unique strength and investor appeal. Overall, this activity underscores the resilience of well-anchored retail assets and the importance of location-driven investments in a shifting economic landscape.

The third quarter of 2025 displayed a vibrant and resilient retail market in Greater Philadelphia. The successful integration of experiential retail, culinary excellence, and a thirst for expansion solidified the region's position as a national leader in retail innovation. With a stable foundation and diverse tenant mix, the market is well-positioned for sustained growth heading into the final quarter of the year.

FIGURE 2: Significant Transactions

Retailer	Property	Transaction Size	Transaction Type	Trade Area
Red White & Blue Thrift	Cherry Hill Shopping Center	46,855	New Lease	Cherry Hill
Liberty Ministries Thrift	County Line Plaza	31,673	New Lease	Montgomeryville
Ace Pickleball	Washington Plaza	25,000	New Lease	Turnersville
Plate Fitness	Valley Fair	15,000	New Lease	Main Line West
Zarminali Health	Southstar Lofts	6,884	New Lease	Philadelphia
GolfCave	Dreshertown Plaza	6,074	New Lease	Horsham
Vibe Haus Indian Plates & Taps	Swedesford Plaza	3,604	New Lease	Main Line West
Blue Love	516 Second Street Pike	3,060	New Lease	Feasterville-Trevoise
Golf Envy	Baileys Square	3,060	New Lease	Doylestown
Hibachi Seafood	Larkin's Corner	2,880	New Lease	Boothwyn

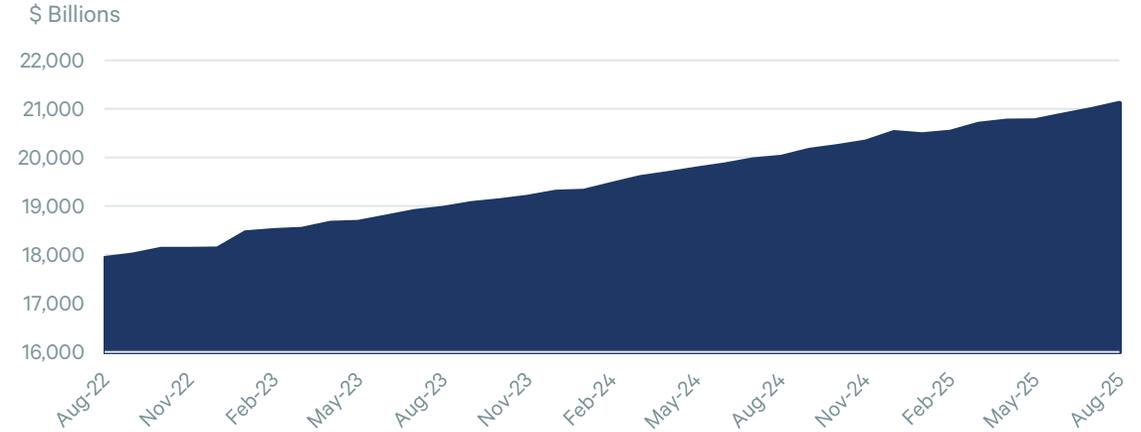
Source: CBRE Research, 2025.

Economic Overview

CBRE has revised its U.S. growth outlook upward, a shift from the more pessimistic view held in the spring. Greater clarity around trade policy and private sector resilience should equate to 1.6% GDP growth this year. Much of this growth should be frontloaded as higher inflation—peaking in the low-3% range by early 2026—creates some headwinds during the latter half of this year. The labor market is flashing important signals such as falling job openings and weak hiring by firms.

Despite the modest growth outlook and expectations for further rate cuts, 10-year Treasury yields are holding steady in the low 4% range. A combination of higher inflation and excessive U.S. debt levels should keep yields near this level through 2027. This environment—with Treasury yields fluctuating between 4% and 4.5% and moderate economic growth—is fostering some recovery in commercial real estate (CRE) capital markets. Investment volumes are on track to exceed 2023 and 2024 levels.

FIGURE 3: Consumer Spending (Personal Consumption Expenditures)



Source: U.S. Bureau of Economic Analysis; St. Louis Fed.

FIGURE 4: Market Fundamentals by Trade Area

	Inventory (SF)	Availability Rate (%)	In-Line Asking Rents (NNN)	Anchor Aking Rents (NNN)	YTD O-Net Absorption	Under Construction (SF)
BUCKS COUNTY						
Bensalem	5,817,950	8.2	\$16.67	-	11,304	0
Doylestown	676,215	2.8	-	-	8,570	0
Feasterville-Treose	1,865,831	4.7	-	-	-29,584	0
Newtown	752,601	5.6	-	-	20,338	0
Oxford Valley	5,155,376	2.0	\$11.36	-	-23,384	0
Quakertown	1,805,133	4.5	\$30.00	-	-15,985	0
Richboro	499,128	4.3	-	-	-4,111	0
Warminster	1,949,407	6.5	\$20.00	-	-17,960	0
Warrington	1,962,572	4.7	-	-	38,513	0
Bucks County Total	20,484,213	5.1	\$16.55	-	-12,299	0
CHESTER COUNTY						
Exton/Downingtown	4,952,485	14.2	\$23.18	\$9.00	-62,682	0
Kennett Square	291,836	0.9	-	-	1,225	0
Main Line West	1,268,388	8.3	\$23.35	\$23.75	-5,671	0
Malvern	753,202	4.6	\$18.50	-	3,469	0
New Garden	1,124,888	6.7	-	-	-8,862	0
West Chester	1,236,351	7.6	\$24.00	\$24.00	105,891	0
Chester County Total	9,627,150	10.6	\$22.79	\$17.80	33,370	0

	Inventory (SF)	Availability Rate (%)	In-Line Asking Rents (NNN)	Anchor Aking Rents (NNN)	YTD O-Net Absorption	Under Construction (SF)
DELAWARE COUNTY						
Boothwyn	493,693	12.2	\$12.14	-	9,079	0
Brookhaven	547,719	6.3	-	-	-4,167	0
Chester	236,484	0.0	-	-	0	0
Concordville	1,257,805	4.4	\$22.00	-	-9,662	0
Havertown	685,984	4.1	-	-	-11,574	0
Media	956,107	26.5	\$23.00	-	7,867	0
Newtown Square	1,581,630	3.3	-	-	50,928	0
Springfield	3,413,738	3.3	\$43.44	-	81,676	0
Upper Darby	1,151,506	18.4	-	-	-42,359	0
Delaware County Total	10,324,666	7.8	\$16.25	-	81,788	0
MONTGOMERY COUNTY						
Bala Cynwyd	451,757	5.1	-	-	0	0
Cheltenham	1,723,550	5.5	\$19.26	-	-48,346	0
Collegeville	4,013,269	4.9	\$19.68	-	-60,840	102,188
Horsham	893,599	2.6	-	-	9,662	0
King of Prussia	4,512,957	3.2	-	-	14,891	0
Main Line East	1,053,929	3.4	\$35.00	-	4,667	0
Montgomeryville	6,339,484	10.2	\$21.96	-	-72,098	0

	Inventory (SF)	Availability Rate (%)	In-Line Asking Rents (NNN)	Anchor Asking Rents (NNN)	YTD O-Net Absorption	Under Construction (SF)
MONTGOMERY COUNTY (CONT.)						
Plymouth Meeting	4,845,727	7.0	\$26.39	-	-14,177	0
Pottstown	2,922,025	12.6	\$12.87	-	-183,711	0
Trooper	1,037,636	1.7	\$25.00	-	1,881	0
Willow Grove	2,947,061	15.6	\$25.77	-	-37,567	0
Montgomery County Total	30,740,994	7.7	\$20.01	-	-385,638	102,188
PA Total	71,177,023	7.3	\$19.26	\$17.80	-282,779	102,188

	Inventory (SF)	Availability Rate (%)	In-Line Asking Rents (NNN)	Anchor Asking Rents (NNN)	YTD O-Net Absorption	Under Construction (SF)
BURLINGTON COUNTY						
Burlington	2,454,187	5.5	\$26.28	-	-1,251	0
Delran/Cinnaminson	1,975,930	9.4	\$9.56	-	-51,448	0
Marlton	2,955,263	7.1	\$18.06	-	18,909	0
Mount Laurel	3,809,191	9.1	\$18.29	-	-29,501	0
Burlington County Total	11,194,571	7.8	\$17.04	-	-63,291	0

CAMDEN COUNTY						
Berlin	619,089	23.5	\$13.00	\$12.00	-53,284	0
Camden	313,514	1.6	\$30.00	-	8,074	0
Cherry Hill	6,367,975	8.8	\$18.88	-	-51,736	0
Voorhees	3,115,397	12.2	\$12.93	\$17.01	56,007	0
Camden County Total	10,415,975	10.5	\$13.95	\$13.73	-40,939	0

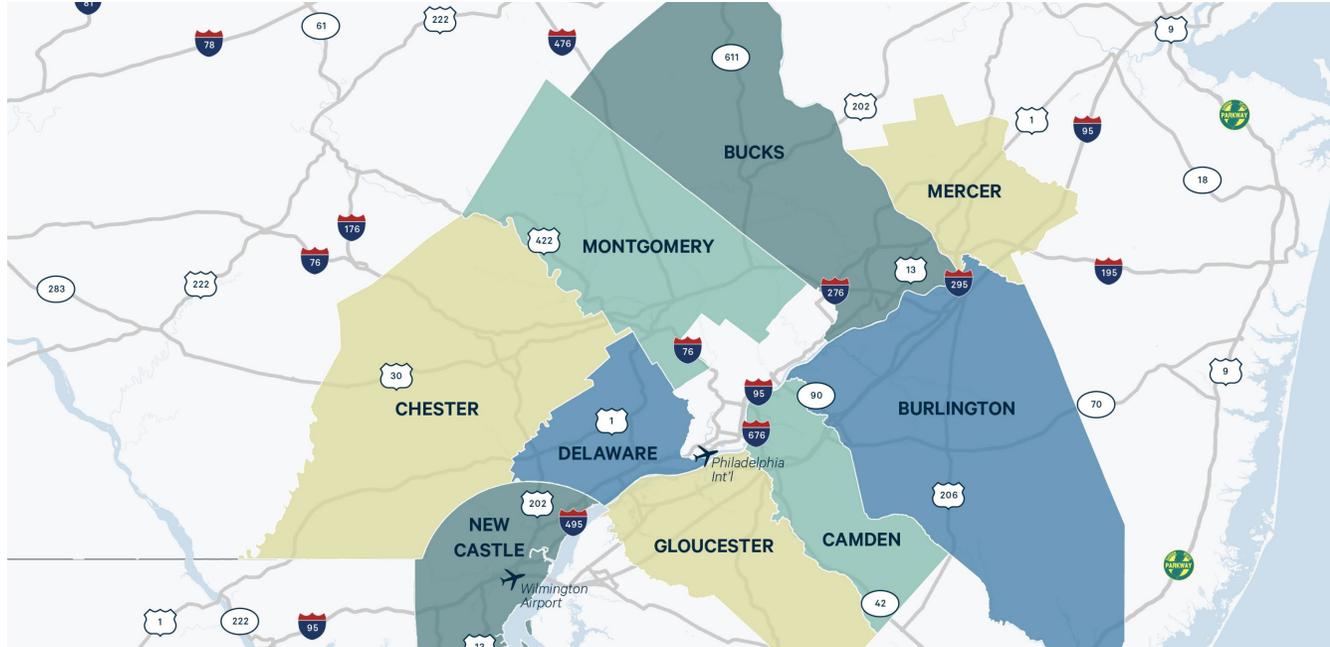
GLOUCESTER COUNTY						
Deptford	3,699,948	8.7	\$18.31	-	16,389	0
Turnersville	4,225,656	9.5	\$16.75	-	-25,128	0
Gloucester County Total	7,925,604	9.1	\$17.39	-	-8,739	0

	Inventory (SF)	Availability Rate (%)	In-Line Asking Rents (NNN)	Anchor Asking Rents (NNN)	YTD O-Net Absorption	Under Construction (SF)
MERCER COUNTY						
East Windsor	1,094,065	5.3	\$15.69	-	63,008	0
Hamilton	2,594,060	8.0	\$18.09	-	-7,394	0
Princeton	4,571,134	13.6	\$25.48	-	-156,967	292,700
Trenton	2,325,083	10.4	\$16.00	\$16.00	15,860	0
Mercer County Total	10,584,342	10.6	\$18.10	\$16.00	-85,493	292,700
NJ Total	40,120,492	9.5	\$16.50	\$14.16	-198,462	292,700

	Inventory (SF)	Availability Rate (%)	In-Line Asking Rents (NNN)	Anchor Asking Rents (NNN)	YTD O-Net Absorption	Under Construction (SF)
NEW CASTLE COUNTY						
Christiana	6,083,857	7.5	\$31.05	-	-61,730	0
Concord Pike	3,599,775	16.1	\$27.58	-	-72,695	0
Hockessin	706,396	4.9	\$22.61	-	-2,547	0
Kirkwood Highway	2,088,954	6.2	\$24.37	-	-54,024	0
Newark	1,954,479	9.2	\$17.00	-	35,175	0
Wilmington	1,133,766	11.9	\$19.74	-	-58,838	0
New Castle County Total	15,567,227	9.7	\$25.26	-	-214,659	0
DE Total	15,567,227	9.7	\$25.26	-	-214,659	0

	Inventory (SF)	Availability Rate (%)	In-Line Asking Rents (NNN)	Anchor Asking Rents (NNN)	YTD O-Net Absorption	Under Construction (SF)
BY CENTER TYPE						
Community/Neighborhood Centers	69,285,930	7.9	\$19.42	\$14.10	73,125	359,888
Lifestyle/Power Centers	53,003,930	9.1	\$22.73	-	-783,244	35,000
Strip/In-Line Centers	4,574,882	6.8	\$16.27	\$23.75	14,219	35,000
Market Total	126,864,742	8.3	\$19.41	\$15.07	-695,900	394,888

Market Area Overview



DOWNTOWN PHILADELPHIA OFFICE SUBURBAN PHILADELPHIA OFFICE

50 S. 16th Street
Philadelphia, PA 19102

555 E. Lancaster Avenue
Radnor, PA 19087

WILMINGTON, DE OFFICE

3711 Kennett Pike
Wilmington, DE 19807

MOUNT LAUREL NJ OFFICE

1000 Howard Boulevard
Mount Laurel, NJ 08054

ALLENTOWN, PA OFFICE

1275 Glenlivet Drive
Allentown, PA 18106

HARRISBURG, PA OFFICE

5 Capital Drive
Harrisburg, PA 17110

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