



Published March 2026

2025 Business Climate Survey Report

City of Southlake



Department Mission

The Southlake Economic Development and Tourism Department's mission is to sustain and grow Southlake's vibrant economy and outstanding quality of life by providing leadership and resources for the creation,



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Introduction

BACKGROUND

As part of its commitment to economic development, the City of Southlake conducts a Business Climate Survey — a policy recommendation established in the 2016 Economic Development Master Plan. The survey collects feedback directly from Southlake employers to gauge their outlook and needs, and to evaluate whether City programs are effectively supporting local business activity. Results from this sixth survey (first conducted in 2019) will inform the City Council, Community Enhancement & Development Corporation, and City staff across strategic planning, budgeting, and service delivery.



WHY A BUSINESS CLIMATE SURVEY?

Business climate surveys give local businesses a direct line to their city government. The City of Southlake conducts this survey biennially to:

- **Understand current business conditions, challenges, and perceptions**
- **Demonstrate commitment to supporting the local business community**
- **Identify opportunities to strengthen the business environment**
- **Evaluate the effectiveness of existing and future City programs**

GOALS & OBJECTIVES

The Business Climate Survey helps the City balance economic growth with quality of life by providing insight into local conditions including labor challenges, industry trends, and emerging business needs. In partnership with the Community Enhancement & Development Corporation (CEDC), City staff established the following survey goals:



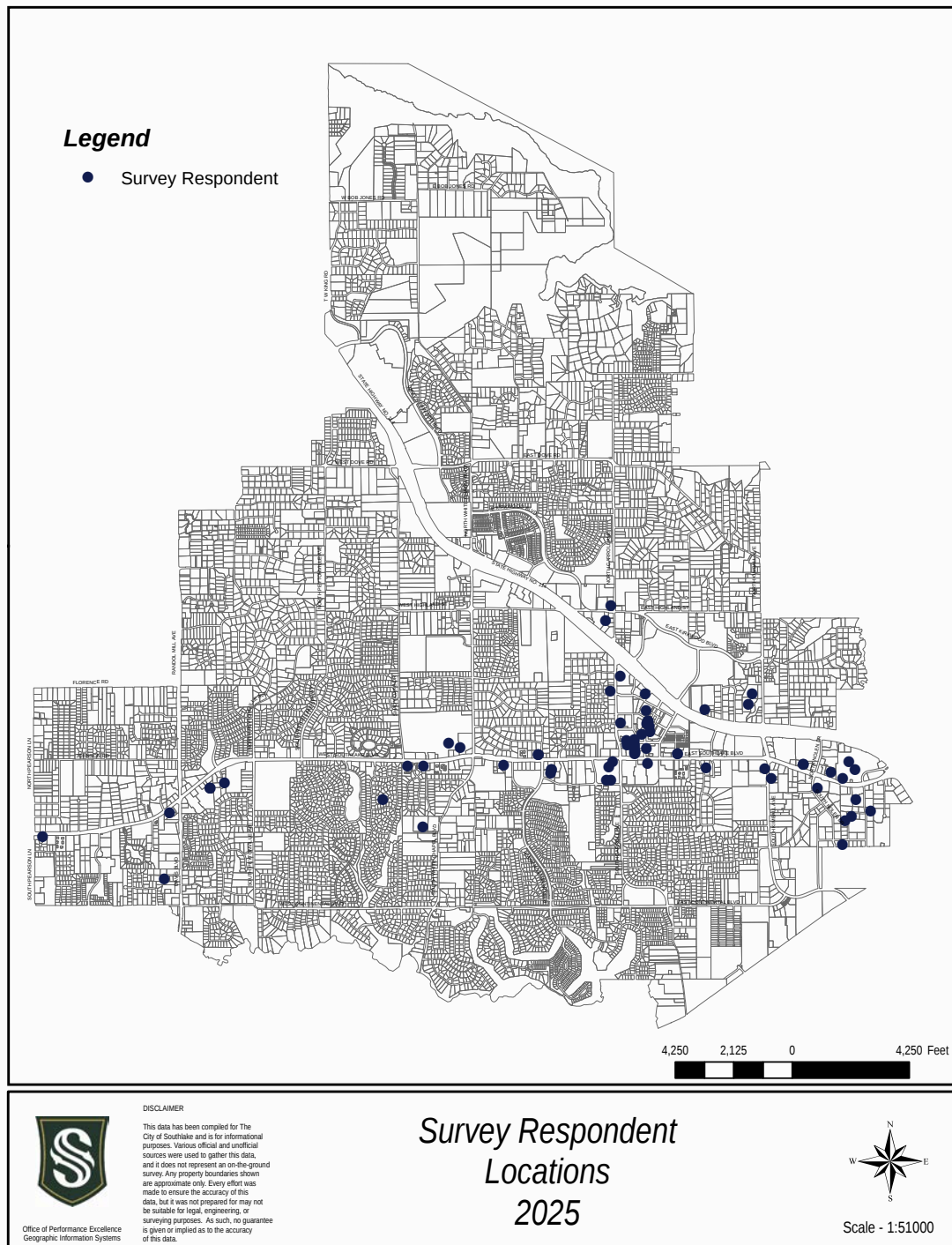
OVERVIEW OF METHODOLOGY

Data for the 2025 Business Climate Survey was collected through an online survey developed in-house by City staff and administered over a 78-day period, from November 14, 2025 to January 31, 2026. The survey was distributed to more than 1,700 businesses using the City's business contact database and promoted through multiple email campaigns, social media outreach, and a partnership with the Southlake Chamber of Commerce. City staff also conducted in-person outreach at major commercial centers to encourage participation.

Business Response

Respondent Map

During this survey period, 70 businesses completed the short-form version of the survey. These responses were largely concentrated throughout the City's commercial centers (see Business Response Distribution Map shown below). Additionally, 30 businesses volunteered to complete the optional long-form version of the survey.



Business Response

Survey Questions- Short Form

1. How many employees work at your business location in Southlake?
2. What is the biggest benefit of having your business in Southlake?
3. How long has your business operated in Southlake?
4. What is your primary source of customers or sales?
5. How would you best describe your sales or revenue over the past year?
6. How would you describe the overall business climate in Southlake?
7. What is the biggest challenge to being located in Southlake?
8. Overall, how would you rate the level of service your business receives from the City of Southlake?
9. Is there anything else you'd like to share with the City?
10. How did you hear about this survey?

This report summarizes findings from the short and long-form 2025 Business Climate Survey, covering business data, the business environment, and the community environment, with trend comparisons from 2022 and 2023.



Business Response

Survey Questions- Long Form

BUSINESS DATA

1. **What industry best describes your business?**
2. **Which of the following best describes your business?**
3. **What is your forecasted sales/revenue trend in the next 12 months?**
4. **Where do most of your customers or clients come from?**
5. **What is the minimum education level required for employees at your business?**
6. **How would you describe the employment status of most of your employees?**
7. **Over the next 12-months, what do you anticipate your employment needs to be?**
8. **How far do most of your employees commute?**
9. **Does your business sell goods or services online (through a website or app)?**
10. **Is your business a member of the Southlake Chamber of Commerce or another Chamber of Commerce?**

BUSINESS ENVIRONMENT

1. **Do you expect your business to grow or expand in the next year?**
2. **To what extent do state and local taxes affect your ability to grow?**
3. **How would you describe the Regional, State, and National economy?**
4. **How would you rate Southlake as a place to do business?**
5. **Compared to other communities, how would you describe Southlake as a place to do business?**
6. **How would you describe your business's ability to hire employees or labor?**
7. **What is one thing you would change about the business environment in Southlake?**
8. **What do you feel is the greatest challenge facing the Southlake business environment?**

COMMUNITY ENVIRONMENT

1. **Has your business interacted with a City employee in the past year?**
2. **How would you describe your most recent interaction with a City employee?**
3. **Do you believe Southlake is as attractive a place to work as it was 5 years ago?**
4. **How would you describe your Business Area's Appearance, Quality of Trash/Recycling Services, Quality of Streets/Roads?**
5. **If you had to make a recommendation to the City to further support the business community, what would that be?**



SELECT
SOUTHLAKE



Results Summary

70

Short - Form
Respondents



30

Long - Form
Respondents

- **Strong Business Environment**

- 97% rate Southlake as a good/excellent place to do business (highest on record)
- 80% view the regional and state economy positively

- **Positive Growth**

- 73% expect revenue growth in the next 12 months
- Majority anticipate stable or increased hiring needs

- **Business Retention**

- 41% of respondents have operated in Southlake for 10+ years
- Majority anticipate stable or increased hiring needs

- **Challenges**

- 37% of respondents reported revenues below target over the past year
- Cost of rent is the most significant challenge faced by respondents



1,700+

Businesses
Contacted



78

Days
Open



200+

Business
Visits

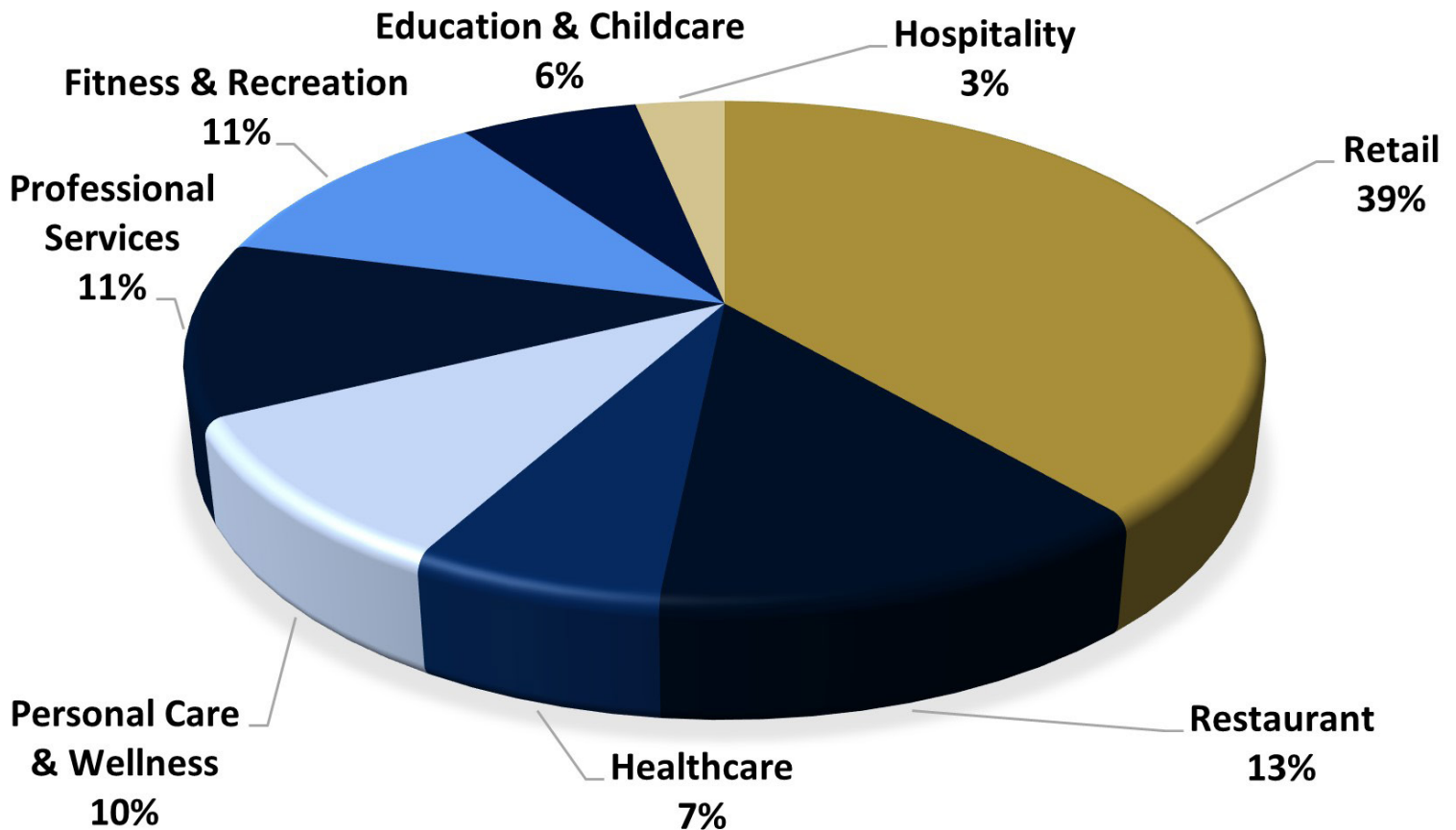


9:15

Avg. Survey
Duration

2025 Respondent Industries

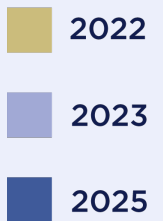
The City of Southlake follows the North American Industry Classification System (NAICS) for classifying businesses. The NAICS is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. For the purposes of this survey however, categories that are more familiar with the general public have been utilized so a good understanding of the industries the businesses represent are shown.



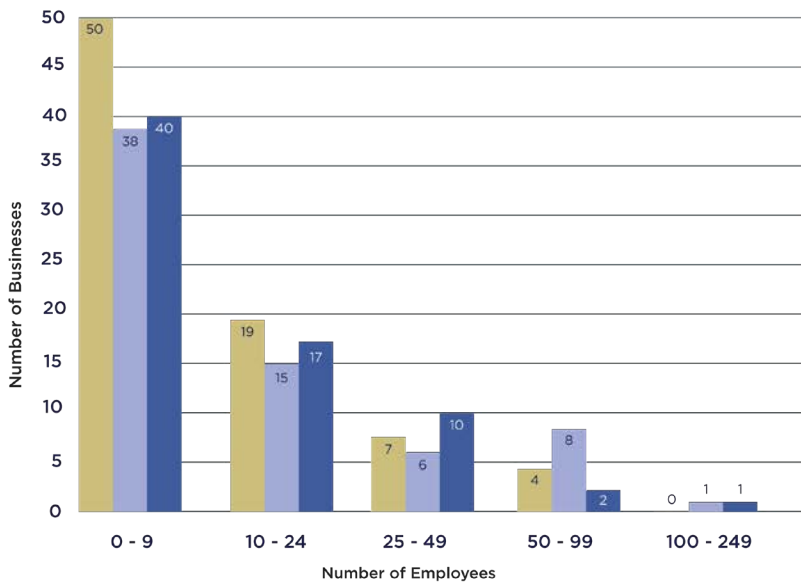
Business Responses

Survey Questions- Short Form

Data Key



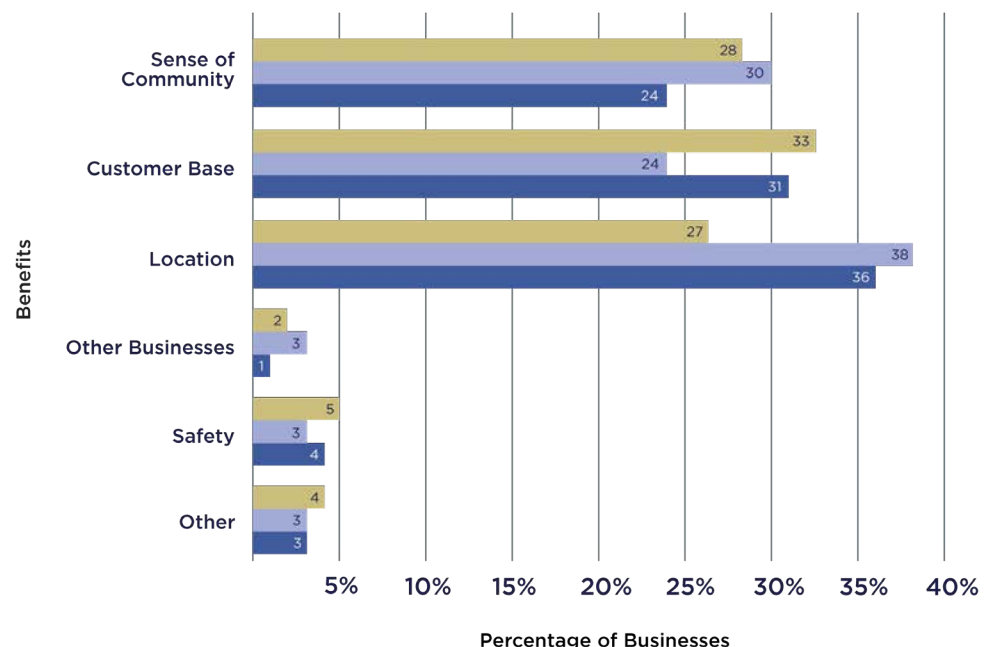
How many employees work at your business location in Southlake?



The employees that work at a local business contribute in significant ways to the local economy beyond the employment itself. People employed in a community contribute by sustaining other businesses within that community and creating demand for services that may or may not already exist.

What is the biggest benefit of having your business in Southlake?

This question identifies the core value propositions that attract and retain businesses in Southlake. Understanding these benefits helps the City and its partners reinforce what is working, prioritize investments, and protect the qualities that differentiate Southlake from surrounding communities.



Data Key

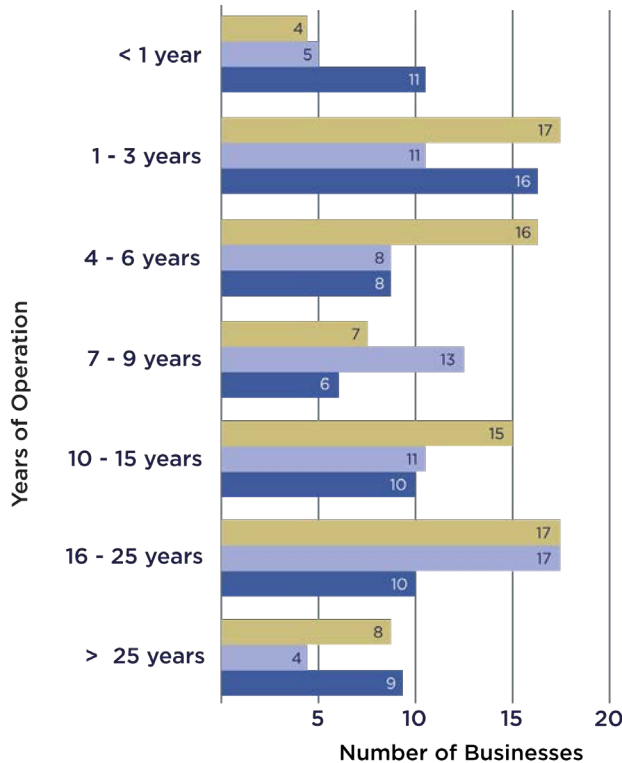
2022

2023

2025

How long has your business operated in Southlake?

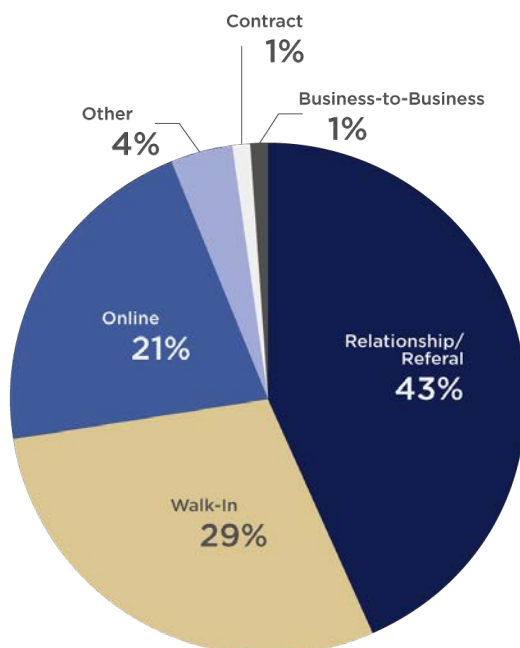
The length of time a business has operated in a community reflects factors such as customer relationships, location, engagement with the City, workforce stability, and overall cost of doing business.



41%

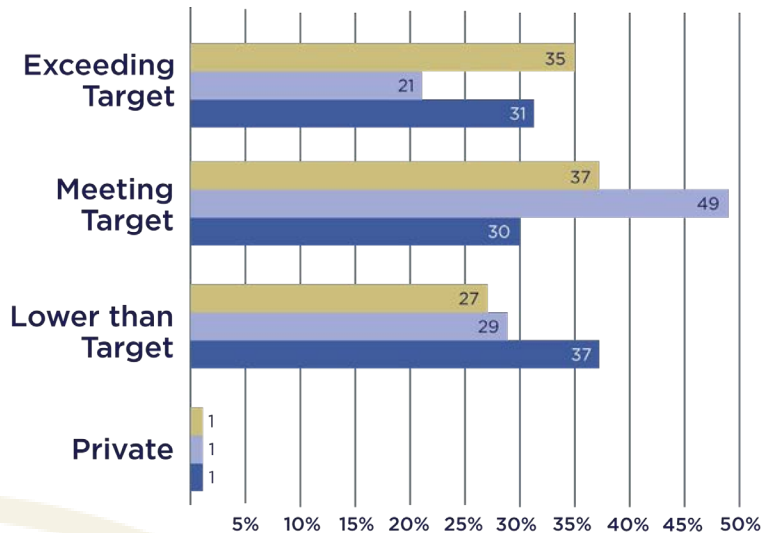
of 2025 respondents
have operated in
Southlake at least 10
years

What is your primary source of customers or sales?



How would you best describe your sales or revenue over the past year?

While the actual sales of a business can ultimately tell us whether or not it's profitable, the sales target can be more indicative of its sales expectations for the future. By learning whether businesses are meeting their sales target or not, we can learn if the City of Southlake's business climate is conducive for growth. Of all the businesses surveyed, 72% indicated they are either meeting or exceeding their sales target in 2025.

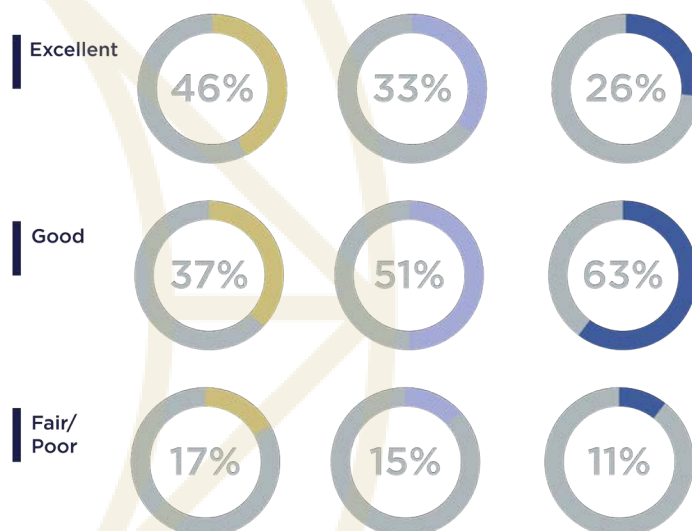


37%

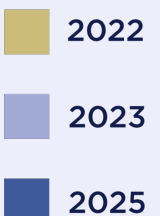
of 2025 respondents described sales/revenue as lower than target

How would you describe the overall business climate in Southlake?

Having the “pulse” of the business community is at the heart of the goals of this survey. Assessing the local business climate tells us if businesses feel this is a good environment to conduct their business.

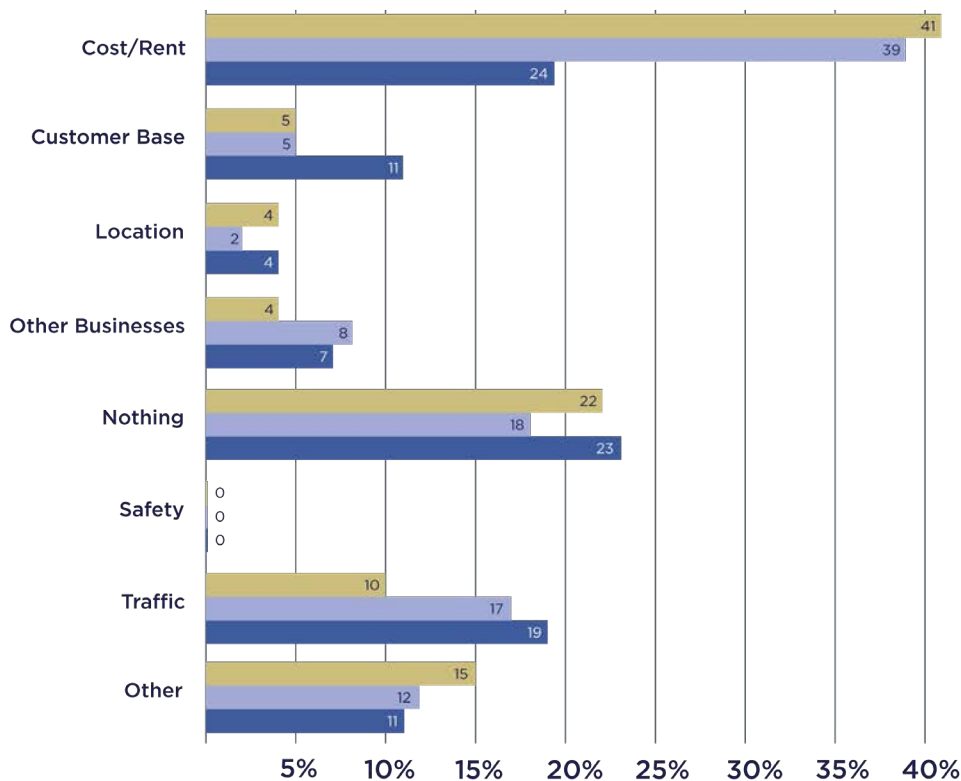


Data Key



What is the biggest challenge to being located in Southlake?

Understanding the community's challenges can help the City understand where its efforts should be spent to support the business environment. Most respondents (24%) indicated that cost/rent remain the main challenge in Southlake. Traffic (19%) was the next biggest challenge.

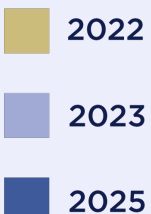


**Cost/
Rent**
was the biggest
challenge for the
3rd consecutive
survey

Overall, how would you rate the level of service your business receives from the City of Southlake?



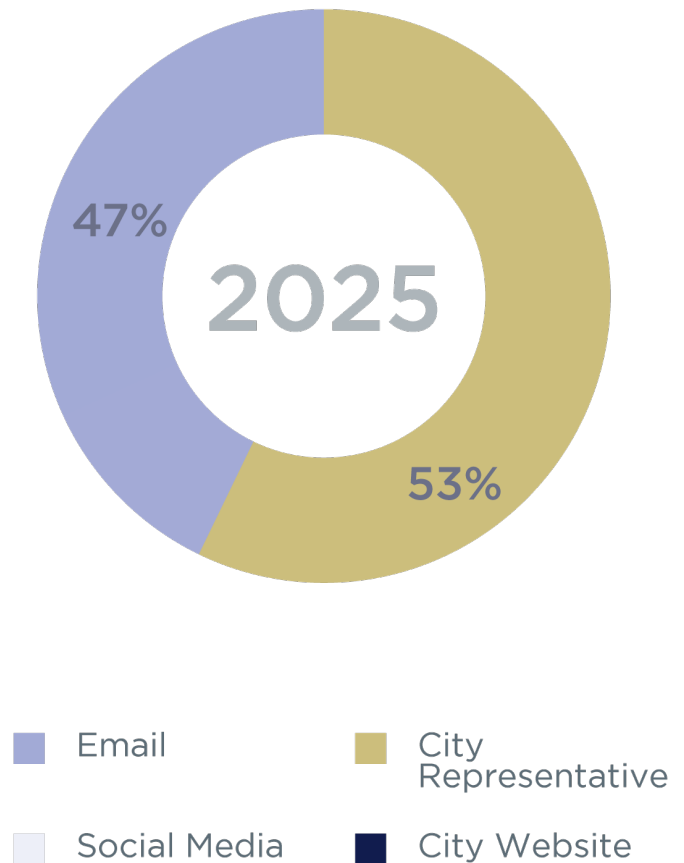
Data Key



Is there anything else you'd like to share with the City?

- **Competition is increasing**
- **Permitting can hit snags, we had a mixed experience with reoccupancy permit for recent move. It would be a LOT easier if staff proposed revisions for minor adjustments on documents (ex: address being listed with suite number) versus rejecting applications and ultimately spending a lot more time pushing paper back and forth**
- **We see patients from around the globe. Our dream is to make Southlake a destination for wellness. We want to work with the City on this. How do we garner support for this?**
- **I appreciate the efficiency and support from the City. I need to partner more with all the opportunities the city offers**
- **We appreciate the business spotlight that was captured on our business, garnering over 15k views**
- **Great place to be!**
- **I think the City does an amazing job!**
- **We live in Frisco but office out of Southlake. I wouldn't open a business in any other city in TX. Love Southlake!**
- **Feature small businesses not owned by corporations**
- **Internet issues due to one option for providers**
- **We love the communication and our location**
- **Don't add anymore boutique fitness studios**
- **Would like to see more police patrolling on Southlake Blvd. Increase in running red lights and speeds**

How did you hear about this survey?



Having a good understanding of the communication methods which businesses find most useful can help the city allocate its efforts to those channels. In the most recent survey, 53% of respondents became informed about the business climate survey primarily through a City representative.

Business Data

Survey Questions- Long Form

What industry best describes your business?



Premier Location

Quality of Life

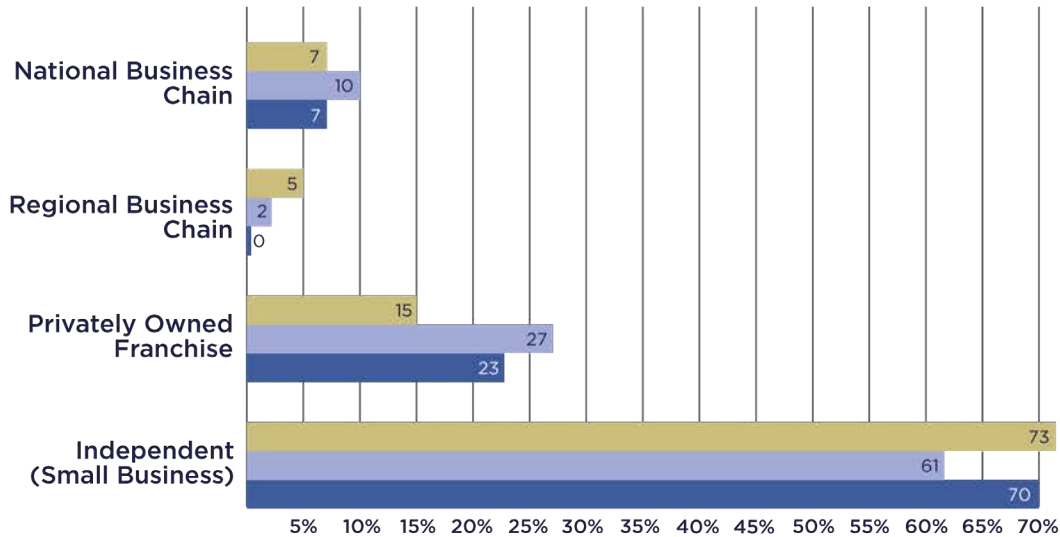
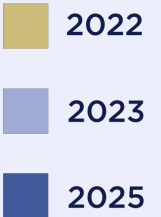
Workforce & Talent

Perfectly Planned



Which of the following best describes your business?

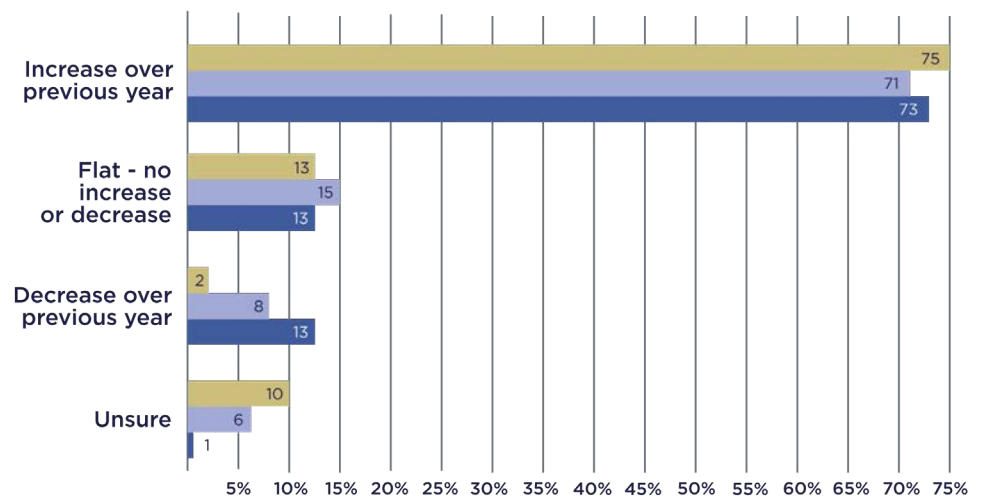
Data Key



What is your forecasted sales/revenue trend in the next 12 months?

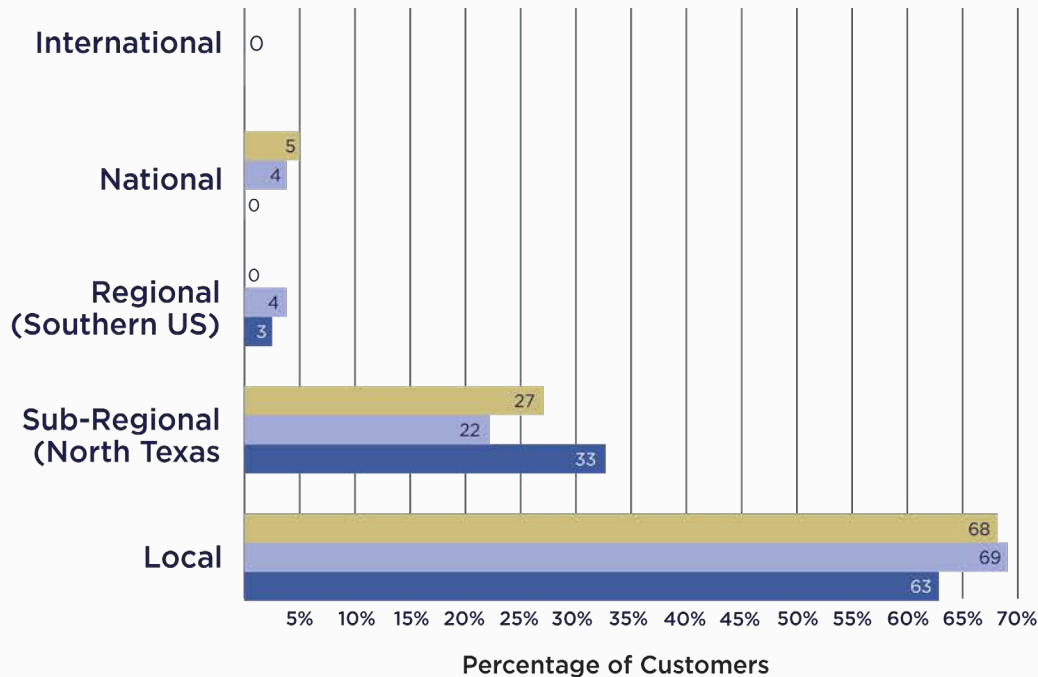
The sales and revenue forecast is helpful in assessing sales trends expected by local businesses. This is a key indicator to for the City to determine the business climate expected by the business community. The vast majority of respondents expect their sales to increase over the next year.

73%
of respondents
expect an
increase over
previous year

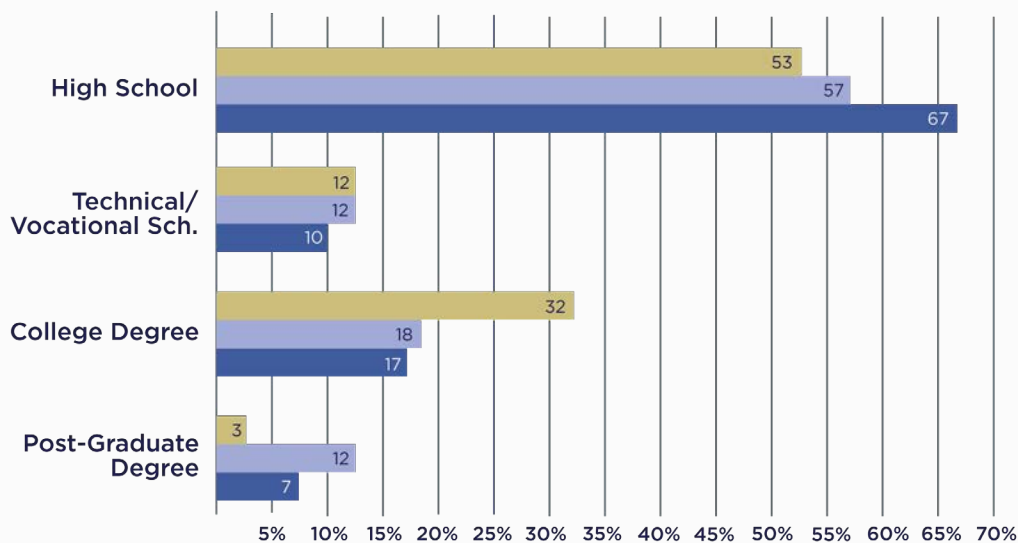


Where do most of your customers or clients come from?

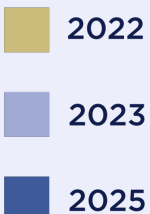
Having a good understanding of a businesses's customer base can help the City in it's marketing efforts. The majority (96%) of respondents in 2025 indicated their client base is from the North Texas area and local (in or around Southlake). This is a good indicator for the City to continue concentrating it's efforts in the North Texas region.



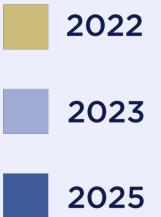
What is the minimum education level required for employees at your business?



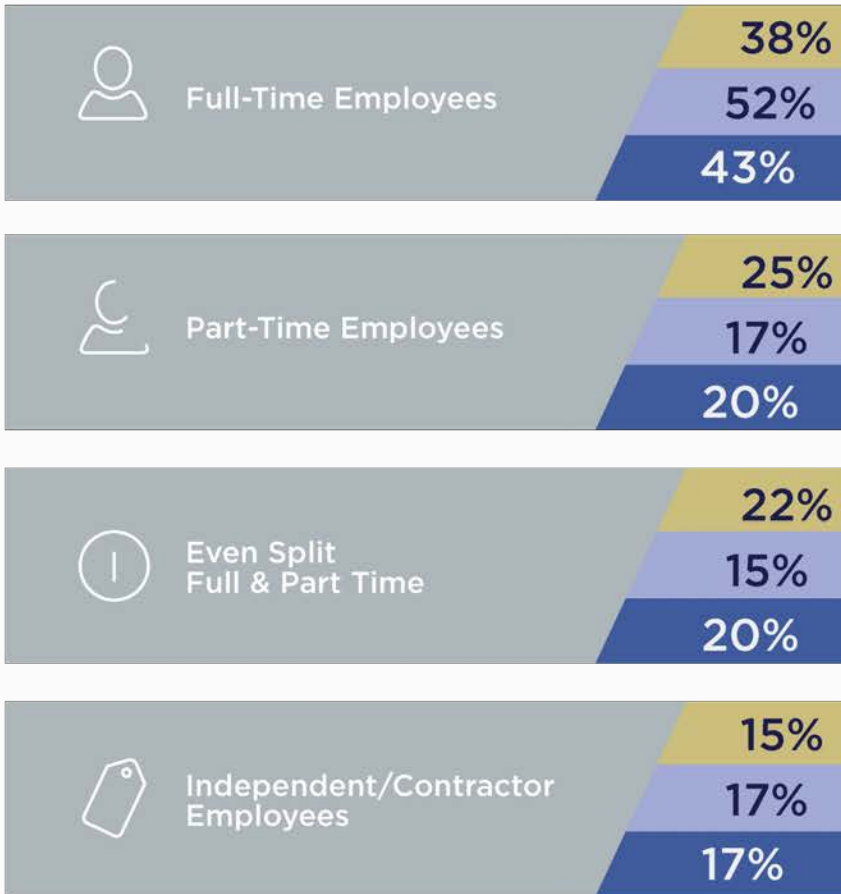
Data Key



Data Key



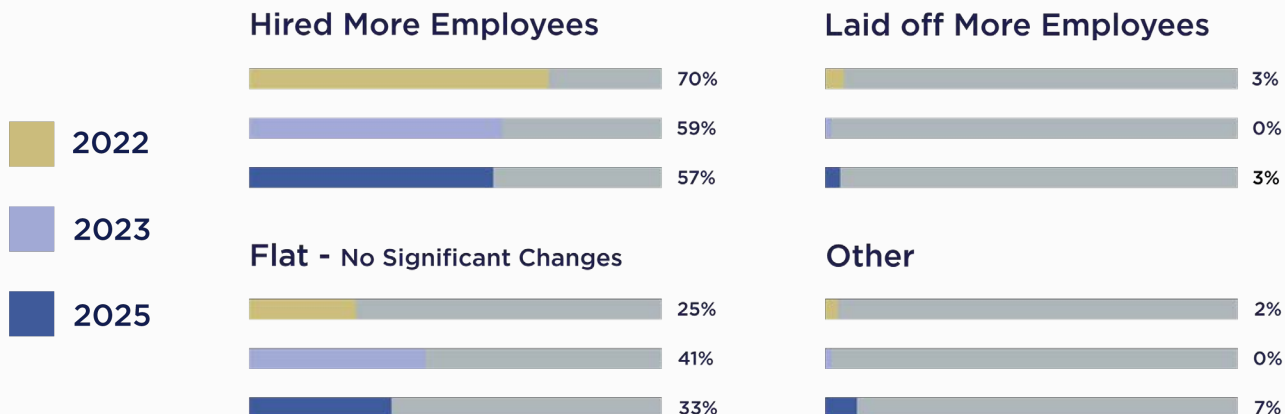
How would you describe the employment status of most of your employees?



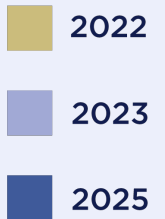
While the City does have a high number of retail and dining establishments that are often part-time employment positions, this only accounts for about one quarter of the employees in Southlake.

Over the next 12-months, what do you anticipate your employment needs to be?

90% of 2025 respondents indicated that they plan on hiring more employees or that there will be no significant increase or decreases in employment. This is a continuing trend since the beginning of the Business Climate Survey.



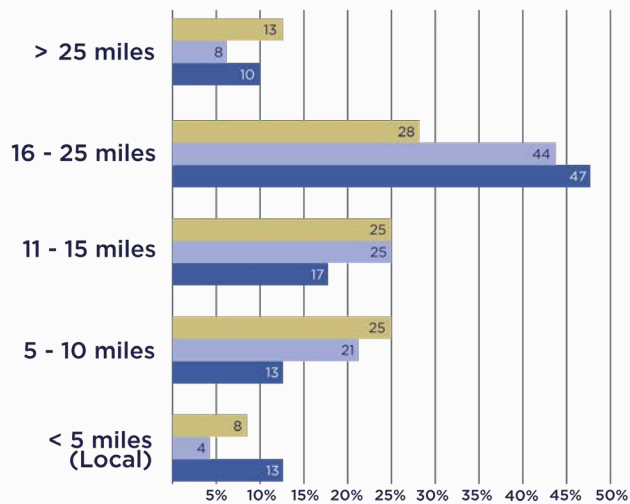
Data Key



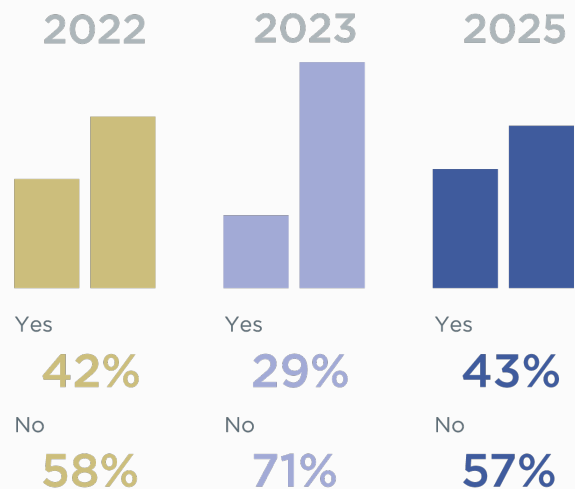
How far do most of your employees commute?

74%

of 2025 respondents have a commute of >11 miles



Does your business sell goods or services online (through a website or app)?



Is your business a member of the Southlake Chamber of Commerce or another Chamber of Commerce?

60%

of 2025 respondents are a member of the Southlake Chamber of Commerce or another Chamber of Commerce. This was about a 12% increase compared to 2022 and 2023 results.

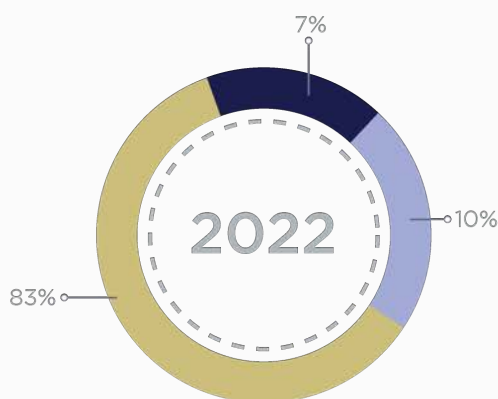
Business Environment

Survey Questions- Long Form



Do you expect your business to grow or expand in the next year?

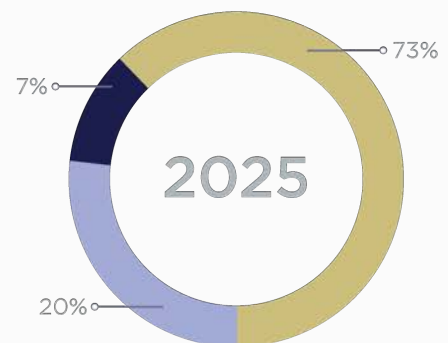
One of the most direct indicators of a business's sentiment in the community is whether it feels the potential for growth in the future. The majority (73%) of the businesses surveyed in 2025 indicated they felt their business was set to grow/expand over the next year.



Yes
No
Stay the same



Yes
No
Stay the same



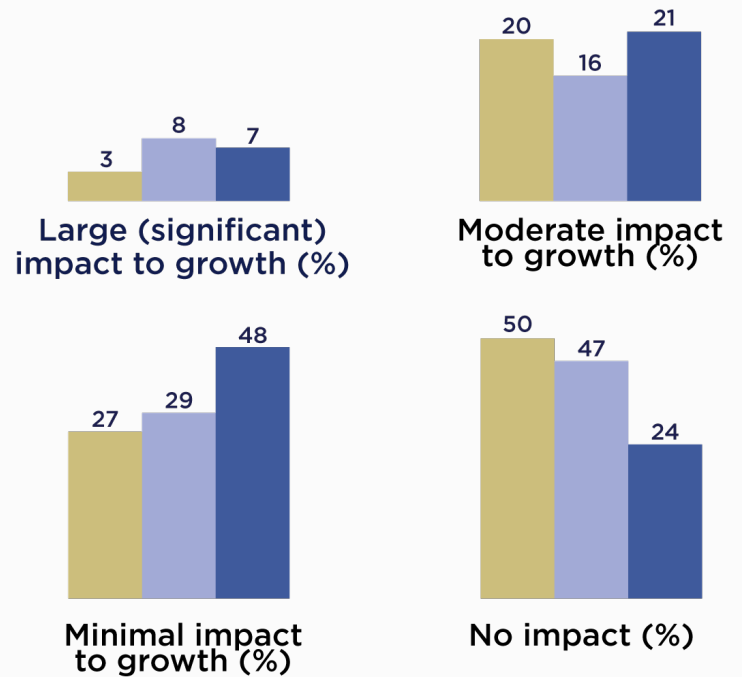
Yes
No
Stay the same

Data Key

2022 2023 2025

To what extent do state and local taxes affect your ability to grow?

Southlake, and Texas in general, is well known to be a business friendly (low tax) state. Understanding whether this is in fact consistent in Southlake is important. The vast majority (72%) of businesses that responded indicated that state and local taxes either had no impact or minimal impact to their growth.



How would you best describe the economy?

>80%

of 2025 respondents said the Regional and Texas State economies were either excellent or good. This is a small dip of about 15% compared to 2022 and 2023 responses. The National Economy was ranked excellent or good by 43% of 2025 respondents. This is about a 5% increase compared to 2022 and 2023 responses.

How would you rate Southlake as a place to do business?

97%

of 2025 respondents rated Southlake as an excellent or good place to do business. This marks the highest rating received in a survey.



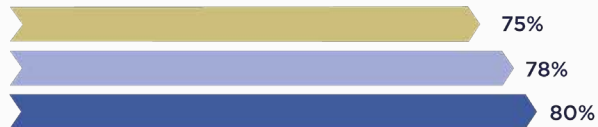
Data Key

2022 2023 2025

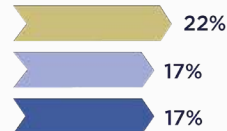
Compared to other communities, how would you describe Southlake as a place to do business?

Periods of low unemployment are generally a sign of a stable economy. However, low unemployment also creates a challenge for businesses with regard to finding qualified labor to fill vacancies. The majority (85%) of all respondents indicated they have no difficulty in hiring or finding employees to fill their positions. This is a major increase compared to the 2023 survey.

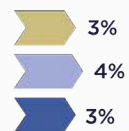
Better than other communities



About the same as other communities



Worse than other communities



How would you describe your business's ability to hire employees or labor?



What is one thing you would change about the business environment in Southlake?

- **More visibility**
- **Inflated rent, optics that services are more expensive, customers want everything for free and don't understand the cost of doing business**
- **Being more flexible with the use of marketing along the street. I feel a lot of business not just our own have a tough time getting people to realize where they are located.**
- **Would love the real estate market to improve.**
- **Cheaper commercial rents**
- **An emphasis on small business promotion, not major chains. It's been getting more and more commercial over the years because it's harder for small business to afford to come in here because of rent properties.**
- **Traffic can be rough sometimes at rush hours.**
- **Collaboration between businesses, we need synergy to grow our footprint**
- **More spotlights on newer businesses**
- **I would like the opportunity to meet with other CEOs and understand and have introductions to other CEOs moving their companies to North Texas.**
- **More visible police presence.**
- **Less of the same thing.**
- **More younger families moving into Southlake. As my customer base is kids between 3-14**
- **Hours of operation. Different stores open and close at different times leaving uncertainty.**
- **Restrict the number of similar type of business putting pressure on growth**
- **Increased rates/ understood value for service**
- **Rent**
- **I would encourage public works to better provide for business and resident disruption by City projects and other utility contractors who have not been properly managed by the City but have been free to disrupt traffic and negatively impact businesses and residents when not necessary.**
- **Less expensive options for Meeting Rooms**
- **City permitting could be easier especially the pre-inspections. Most cities do not require pre-inspections for signs**
- **It would be helpful for all businesses if they were more open to expand the the number and options of residential types and price levels.**

What is one thing you would change about the business environment in Southlake?

fragmentation
growth sprawl workforce awareness
ecommerce overhead affordability accessibility
migration staffing capacity exposure costs leasing
proximity rent congestion saturation
availability competition traffic density
demand demographics visibility
infrastructure ownership
expansion strain



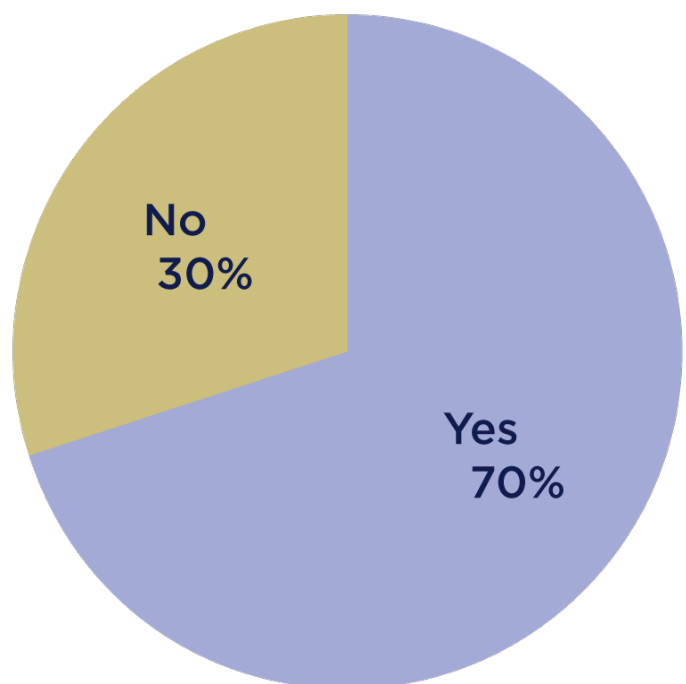
Community Environment

Survey Questions- Long Form



Has your business interacted with a City employee in the past year?

The City of Southlake strives to maintain a good relationship and positive interactions with both residents and businesses. It is challenging for the City to establish an on-going relationship with over 1,800 businesses. Any interaction, even brief interactions, are particularly valuable and should represent the City's appreciation and support for local businesses. The majority (70%) of businesses surveyed indicated they have had some interaction with a City employee over the last year.



How would you describe your most recent interaction with a City employee?

Data Key



100%

of 2025 respondents stated that their most recent interaction with a City employee was excellent or good.



Do you believe Southlake is as attractive a place to work as it was 5 years ago?

83%

of 2025 respondents stated that Southlake is about the same or better than it was 5 years ago. Compared to 2022 and 2023 responses, there was about a 20% drop in “better” responses”.



How would you describe your business area's appearance, quality of trash/recycling services, and the quality of streets/roads?



97% of 2025 respondents rated their business area's appearance as good or excellent



90% of 2025 respondents rated their trash/recycling services as good or excellent



93% of 2025 respondents rated their streets and roads as good or excellent



If you had to make a recommendation to the City to further support the business community, what would that be?

- **Unsure-Colleyville gives out annual \$25 vouchers for residents to use at businesses that the businesses redeem to city**
- **Ideas: Do a city spotlight on more small businesses from the Mayor besides just restaurant owners. Create incentives for small businesses. It's expensive to have local businesses at city events - maybe discount involvement if business is located in Southlake.**
- **The COST significant engagement we have with the city is on the planning and permitting process and this leaves some room to be desired due to combination. Of strict rules (which I understand are for the betterment of the city) and rigid standards/approaches to the permitting process**
- **They're really helpful**
- **Have some input on where hotel occupancy tax is spent in feeder cities to generate interest and revenues.**
- **Small business spotlights**
- **I would LOVE for the City to work with us on making Southlake a wellness destination that is recognized nationally.**
- **Rotating promotion of local businesses.**
- **Highlight local businesses to help them grow.**
- **Continue to offer opportunities to promote and market small business**
- **Quarterly development meetings? If so, I am not aware... Webinars about how to find investors/partners in your community. Webinars for small business growth and development... mixers for brick & mortar businesses...**
- **Improve the police departments response to business owners and their safety needs.**
- **Be more diligent in contracting to emphasize limiting of negative impact from City services/projects and especially negative impacts from utility contractors.**
- **Keep offering opportunities for events, meetings, quality speakers and more interaction with the schools**
- **Simplify the permitting and inspection process. It's more difficult than almost all other cities we deal with and adds cost to our customers.**
- **Think Southlake is as close to perfect as you can get**
- **Home values are directly tied to the health of the school district, which is strained by a declining enrollment. The City should consider more new housing types and density to attract school age families and give the empty-nester population other options in the city, where they can families. moving and by doing so, allow their large homes to house younger families.**
- **Nothing....you guys do an amazing job!**

Conclusion

The 2025 Business Climate Survey confirms that Southlake continues to operate from a position of strength, with high levels of business satisfaction, strong growth expectations, and a stable economic foundation. Businesses consistently recognize the City's quality of life, customer base, and overall environment as key advantages.

At the same time, survey responses highlight important considerations that will shape Southlake's future competitiveness. As the community continues to grow and evolve, maintaining balance between economic vitality, and business accessibility will be critical. The insights gathered through this survey provide a clear direction for sustaining success while addressing emerging needs.

KEY FINDINGS

Economic Strengths

- **Southlake is consistently recognized as a premier place to do business, supported by high satisfaction, strong City services, quality infrastructure, and a stable local and regional customer base**
- **Businesses demonstrate strong confidence in continued growth, with expectations of increased revenue, stable operations, improved hiring conditions, and long-term retention within the community pressures**

Economic Pressures

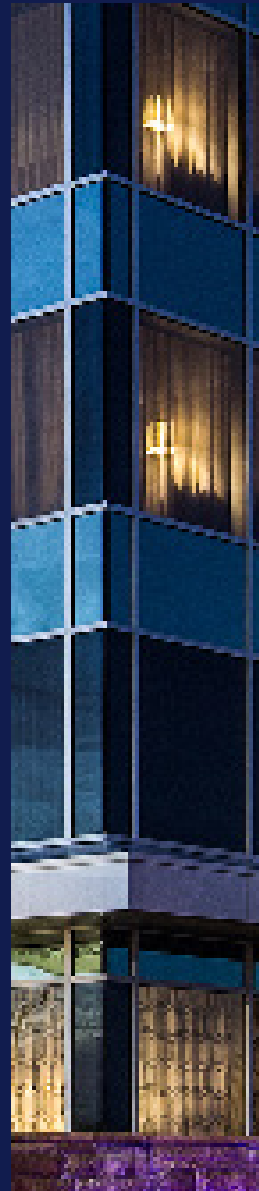
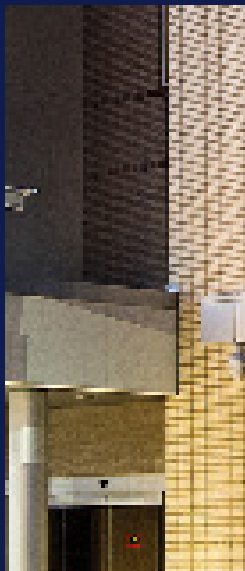
- **Rising costs, particularly rent, continue to be the most significant constraint on business sustainability**
- **Traffic and increasing competition reflect growing demand and development pressures**

PRIORITIES

To maintain Southlake's strong business climate, the City will focus on targeted improvements that enhance competitiveness and support long-term sustainability:

- **Analyze and consider process improvements and policies to make permitting and inspections more efficient**
- **Support small businesses through increased visibility, marketing, and local promotion opportunities**
- **Strengthen engagement through continued communication, outreach, and collaboration with the business community**

BUSINESS CLIMATE SURVEY



Where Business Meets Prosperity.

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