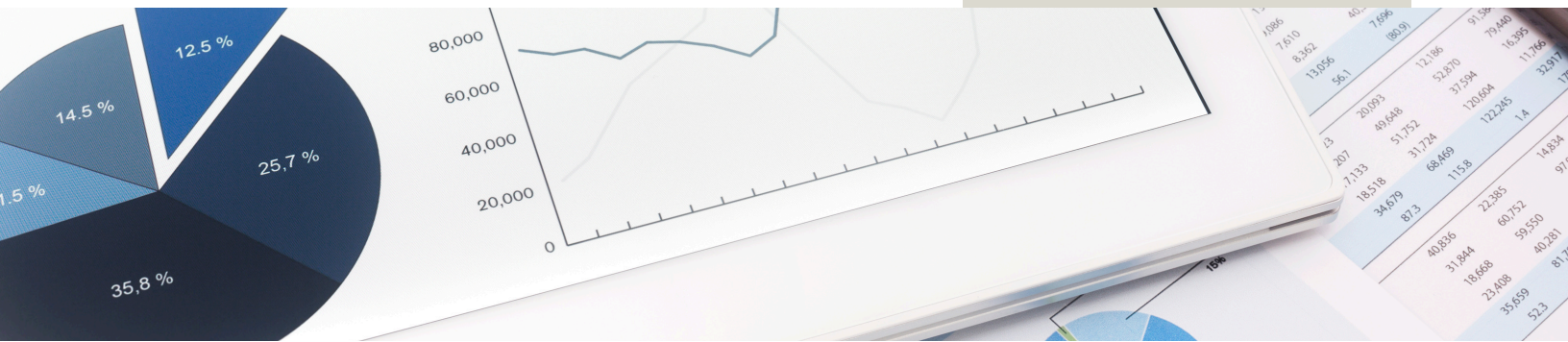


# GROUND GAME REPORT

The definitive  
playbook for what's  
coming next.

**2nd Quarter 2025**



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# SMALL BUSINESS

Q2 2025

## NAVIGATING THE ECONOMIC CURRENTS

### Economic Overview

Tarrant County continues to act as a growth engine within the broader DFW economy. As of Q2 2025:

- Tarrant County contributed ~45% of regional job gains.
- The DFW metro area posted a 2.7% job growth rate YoY, surpassing the national average.
- Labor force participation in Tarrant rose 2.5% YoY, totaling ~522,000.
- The region remains a top performer in industrial real estate and healthcare space absorption.

### Key Industry Trends in Q2 2025

#### Healthcare:

- Medical office space vacancies remained under 6% in Tarrant County.
- Outpatient services and wellness leases surged, particularly along the US 287 corridor.

#### Finance & Insurance:

- Hiring slowed in regional banks and insurance brokerages due to ongoing digital consolidation.
- Back-office roles in underwriting and claims processing are being automated.

#### Real Estate:

- Flex-office and medical real estate led demand. Traditional office vacancy remains elevated at 17.8%.
- Residential permit activity increased 14% in South Mansfield, declined 7% in the east.

# SMALL BUSINESS

Q2 2025

## NAVIGATING THE ECONOMIC CURRENTS

### **Business Services:**

- Modest growth in consulting and IT services with emphasis on cybersecurity and process automation.
- Hiring is flat due to workforce cost containment.

### **Retail & Restaurants**

- Local sales tax receipts grew 3.2% YoY, slower than Q1 (5.6%).
- Discretionary spending cooled, especially in dining and apparel.

# SMALL BUSINESS

Q3 2025

## STEERING BUSINESS FORWARD

### **Economic Outlook for Q3**

Mansfield's Growth Isn't Slowing—It's Specializing

### **Commercial Growth Is Real—and Local**

- With 36,400 sq. ft. of new business space opened in March alone, the local economy is expanding on the ground—not just on paper. This isn't theoretical growth; it's leased storefronts, opened clinics, and new job posts.

### **Health & Personal Services Are Leading**

- The concentration of Q2 COs in healthcare, wellness, beauty, and food services shows exactly where local demand—and opportunity—is growing. These sectors are attracting capital, tenants, and foot traffic.

### **The East/South Divide Is Strategic**

- South Mansfield continues pulling permits at a higher rate (+14% Q2), driven by utility infrastructure. East Mansfield saw a 7% decline. For members: follow the pipes, follow the growth.

### **Labor Shortage = Cost Pressure, But Also Leverage**

- Logistics and trades hiring is up 22% YoY, but talent is scarce. If you're in these sectors, offer signing bonuses, partner with trade schools, and automate smartly. If you serve them—market directly.

### **Retail Isn't Dying—It's Evolving**

- Sales growth is slowing (+3.2% YoY vs. 5.6% in Q1), but that just means retailers must shift digital, target better, and control costs. Loyalty programs and delivery-ready operations are now minimum viable tools.

# SMALL BUSINESS

Q3 2025

## STEERING BUSINESS FORWARD

### Key Predictions for Q3 2025

**Healthcare:** Continued strength. Expect increased demand for build-to-suit facilities for specialty practices.

- Action: Investors should prioritize adaptive-use properties tailored to healthcare.

**Finance & Insurance:** Digital disruption continues. Traditional players will cut costs further.

- Action: Firms must enhance digital offerings and consider outsourcing non-core functions.

**Real Estate:** Flex and healthcare real estate will drive leasing. Residential growth to concentrate south of Broad St.

- Action: Developers should follow utility expansions; office landlords should consider conversions.

**Business Services:** Flat employment, but rising demand for automation consultants and AI integrations.

- Action: Firms should cross-train staff in digital systems and agile project methods.

**Retail & Restaurants:** Softening ahead. Online and loyalty-focused strategies will be essential.

- Action: Emphasize digital customer acquisition and precise inventory control.

Stay informed. Stay ready. Stay ahead with the Mansfield Area Chamber.

# SMALL BUSINESS

Q3 2025

## STEERING BUSINESS FORWARD

**Here's how Q3 forecasts are shifting in light of the recent Israel–Iran escalation and U.S. bombing of Iranian nuclear sites on June 22, 2025:**

### **Oil & Inflation**

- Oil prices have surged—WTI and Brent rose ~10%, briefly hitting mid-\$70s, with analysts warning they could reach \$90–\$100/barrel if the Strait of Hormuz is disrupted . That creates clear upside inflation risk globally.
- IMF, OECD, and major banks caution that a prolonged shock could mean inflation running closer to 4–5%, potentially delaying rate cuts into late 2025 or beyond.

### **Growth & Global Economy**

- Oxford Economics models a mild Q3 oil-driven growth drag: GDP trimmed by ~0.2 ppt, inflation raised marginally.
- Capital Economics suggests the impact is manageable—oil spikes may be short-lived unless escalation continues.
- However, worst-case scenarios (Strait closure, further U.S. escalation) could sap global growth by up to ~0.4 ppt and trigger stagflation.

### **Stock & Market Sentiment**

- Immediate market response: safe-haven demand buoyed U.S. dollar/treasuries; equities pulled back 1–2% then stabilized .
- RBC warns S&P 500 could fall 20% in a full-blown regional war, though some see buying opportunities as markets often reprice quickly .

# SMALL BUSINESS

Q3 2025

## STEERING BUSINESS FORWARD

**Here's how Q3 forecasts are shifting in light of the recent Israel–Iran escalation and U.S. bombing of Iranian nuclear sites on June 22, 2025:**

### **Central Bank Policy**

- Federal Reserve, Bank of England, ECB remain cautious. Rate cuts now unlikely before Q4 as inflation and uncertainty linger.
- Any prolonged crisis means central banks must prioritize inflation over growth, likely delaying easing further.

### **Implications for Q3**

1. Local inflation pressures – expect tighter consumer wallets due to rising oil/gas prices.
2. Business costs – higher logistics, fuel, and insurance costs could dent margins.
3. Economic caution – companies may delay expansion and investment plans.
4. Strategic playbook shift – tightening fiscal/credit conditions and geopolitical risk warrant conservative business planning.



# SMALL BUSINESS

Q3 2025

## STEERING BUSINESS FORWARD

### Navigate Geopolitical Risk • Control Costs • Stay Adaptable

#### 1. Prepare for Price Volatility

- Fuel & Supply Costs: Expect increases. Lock in fuel rates if possible. Audit vendors for cost pass-throughs.
- Reprice Your Forecasts: Update Q3–Q4 projections using conservative revenue and increased operating cost assumptions.

#### 2. Focus on Cash Flow and Liquidity

- Avoid large discretionary spending this quarter.
- Tighten accounts receivable policies.
- If you use credit lines, verify your interest rates and renewal terms in case rate cuts are delayed.

#### 3. Adjust Marketing & Messaging

- Shift messaging to value, reliability, and problem-solving.
- Consumers will get cautious—double down on retention and loyalty campaigns.

#### 4. Double Down on Efficiency

- Evaluate automation tools and workflows.
- Renegotiate contracts or subscriptions that aren't delivering ROI.
- Consider part-time, fractional, or remote options over full-time hiring.

#### 5. Take Advantage of Chamber Resources

- Attend Q3 events with strategic networking in mind.
- Use the Chamber's data—including this report—to inform decisions.
- Request a one-on-one check-in with Paula to align your goals with Chamber support.

#### 6. Watch Global, Act Local

- While global instability rises, local growth in South Mansfield and healthcare remains steady.
- Follow the local trends. Invest where demand is real and visible.

### Bottom Line:

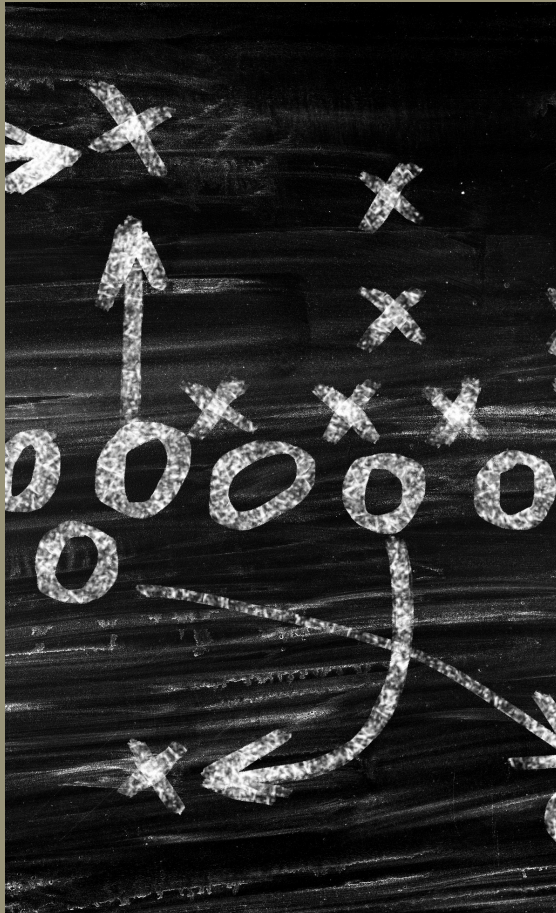
Don't freeze—adjust. Q3 may not be smooth, but with the right strategy, it's survivable—and possibly even profitable.



## Q2 2025 STATISTICS

### Key Economic Statistics

Metric	Value	YoY Change
Tarrant Labor Force	522,000	+2.5%
DFW Metro Job Growth	+2.7%	+0.8pp vs. U.S.
Flex/Medical Space Vacancy	17.8%	Flat
Retail Sales Tax Growth (Local)	<6%	Flat
Residential Permits (South Mansfield)	+3.2%	-2.4pp vs. Q1
Residential Permits (East Mansfield)	+14%	Uptrend
Residential Permits (South	-7%	Downtrend



## Q2 2025 CONCLUSION

The economic signals from Q2 confirm a split economy—high demand in healthcare, logistics, and industrial real estate; softness in discretionary retail, finance, and legacy office sectors.

For Q3, adaptability is not optional—it's essential. The Chamber stands ready to help members identify leverage points, act decisively, and lead change.