

The Furnishings Digest

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The latest news, views, and announcements

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HAPPY NEW YEAR!

Happy 2026 from Mann, Armistead & Epperson. We did it, we officially closed the books on 2025. And what a year it has been with the Russia-Ukraine War entering its fourth year, we had the longest government shutdown in U.S. history, a theft in the Louvre, shooting of Charlie Kirk, the trial of Puff Daddy.

But there was good news too, Swifties got their engagement from Travis Kelce, Kpop Demon Hunters, we got our first American Pope, and we also got a new gulf (Gulf of America).

But more importantly we survived the year of uncertainties. Uncertainties that were mostly brought upon the implementation of new tariffs and immigration policies. Companies were faced with uncertainties which trickled down to the labor market then ultimately the American consumer.

We are hopefully optimistic that with the passing of the initial shock of tariffs and with time to normalize that 2026 brings with it growth and success, both in our industry and to Americans as a whole.

Some Good News To Start the Year

Many American workers are starting the year with a pay hike as new minimum wages increases to \$15 or more take effect in 19 states, which will collectively add an estimated \$5 billion in earnings nationwide, according to a December report by the Economic Policy Institute. The report goes on to say that more than 8.3 million workers are expected to benefit from the pay increase and that more workers will live in a state with at least a \$15 minimum wage than the national \$7.25 minimum wage.

Total employment by state minimum wage category

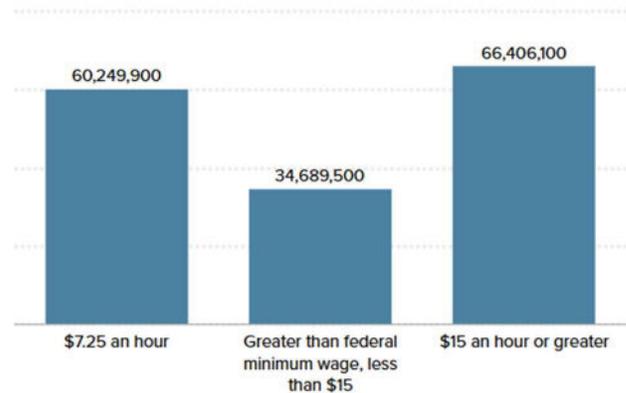


Chart Data

Economic Policy Institute

Possible New Stimulus Checks?



The President has been promising a tariff dividend stimulus check of \$2,000 to all Americans since his post on November. He initially stated that Americans should get their checks mid-2026 but new updates have moved the date to later in the year.

Of course, that would all depend on the Supreme Court's ruling as to if the tariff orders are legal or not. A ruling that the high court has been delaying. Economists are saying even if the Supreme Court rules against the President that he will likely find another way by some other regulation.

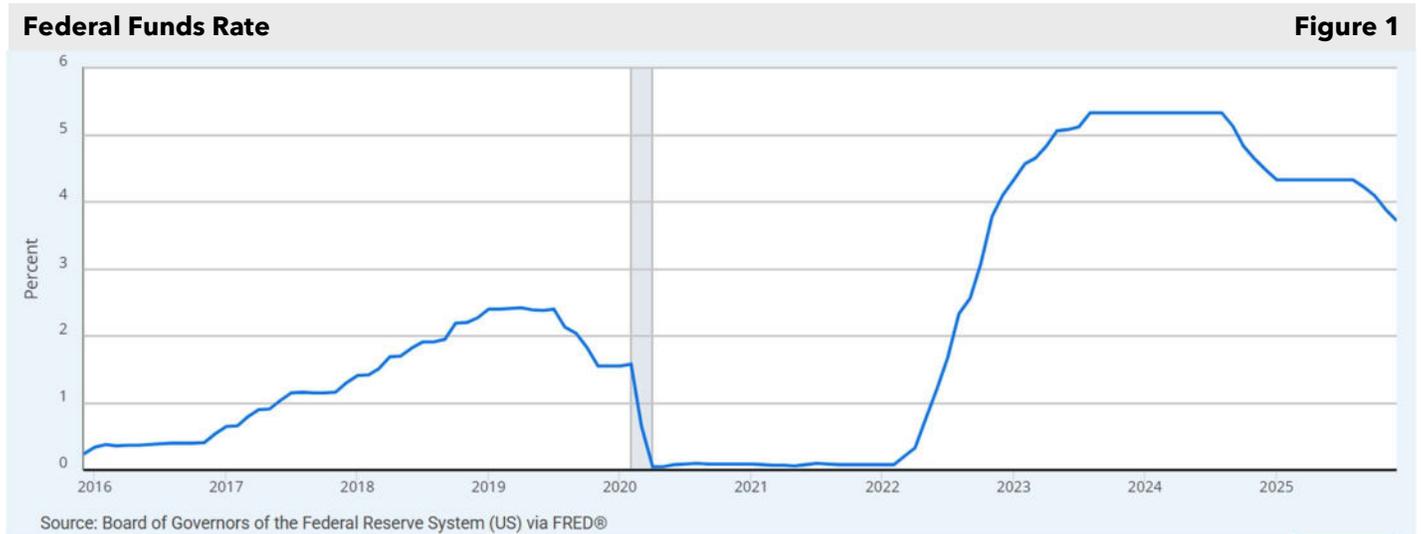
But thinking optimistically, if we were to see a stimulus check, that would be good for both the American consumer and the furnishings industry. According to a survey conducted by the U.S. Census Bureau, about 8.1% spent their first stimulus check during the pandemic on household goods like furniture and appliances. A small share but not bad when 80% went to food and rent.

Fed Cut Rates Three Times

We ended 2025 with the Federal Reserve cutting its benchmark interest rate by a quarter percentage point to 3.75%. That is the third drop in a row since its first cut in September in an effort to prop up the job market which has been stagnant lately.

The latest jobs report released this month by the labor department said that employers added only 50,000 jobs in December down slightly from November. Unemployment is at 4.4% which is still pretty low and wages are up as previously mentioned. So, employment numbers aren't bad but they're not great either.

Richmond Federal Reserve Bank President Tom Barkin has reportedly said that fresh employment data reflects that a continued low-hiring environment still persists in the United States. "Inflation has been above our target now for almost five years. It's in a lot better shape than it was two or three years ago, but it's certainly not all the way there," quoted from a Bloomberg report.



Not Getting Political About Housing

President Trump had been pressuring the Central Bank to cutting interest rates in hopes that it would turn around the housing market. "Housing is gonna swing and its gonna be great".

But when the Fed cuts rates it does not necessarily mean that mortgage rates will come down. The Fed sets short-term debt making it cheaper to spend your credit card or to borrow for that remodeling project while mortgages are typically long-term rates.

However, the good news is that the President has turned his attention to housing affordability as soaring home prices and high interest rates have made owning a home an almost impossible dream for many Americans.

More recently, Mr. Trump announced that he would be taking steps to prevent large institutional investors from buying single-family homes and additionally directing the federal government to purchase \$200 million in mortgage bonds. The President's actions would target competition for homes with institutional investors and to drive down mortgage rates for Americans.

There are skeptics to the President's plans saying that lowing interest rates would bring more potential home buyers into the market but at the same time raise home prices even higher. Also, banning institutional investors would make a pretty small impact to the problem. Neither one of these approaches tackle the issue that there just isn't enough homes for sale.

Housing, But Delayed

The delayed housing report, due to the long federal government shutdown, from the Census Bureau showed that total housing starts were at a seasonally adjusted rate of 1.246 million in October, which is down 4.6% from September and 7.8% from the prior year. This is the lowest level of housing starts since May of 2020 and that was because of the pandemic.

Sales of new single-family homes at a seasonally adjusted average rate was 737,000, roughly flat vs. September but up almost 19% from a year ago.

New home prices have been on a downward trend since near the end of 2022. With the lack of potential homebuyers, homebuilders increased incentives and cutting prices on their homes.

Currently, it is cheaper to buy a new home rather than buying an existing one and has been that way since June of 2025. The average sales price of a new home in October was \$392,300, down 8% versus the prior year and the lowest since 2021.

Though (0.1%) in new home sales and 1.2% month-over-month growth with a 6.25% average mortgage rate doesn't seem like a lot (because it isn't) we optimistically believe that it will get better from here.

The National Association of Realtors, unaffected by the government shutdown, announced the existing home sales for November was up 0.7% and December was up 5.1% on a month over month basis.

U.S. Mortgage rates currently dropped to 6.16%, the lowest since 2022. Though the environment is extremely difficult, we are hopeful these recent gains in home sales in conjunction with lower mortgage rates may be some sign that there is some relief coming in the housing sector in 2026.

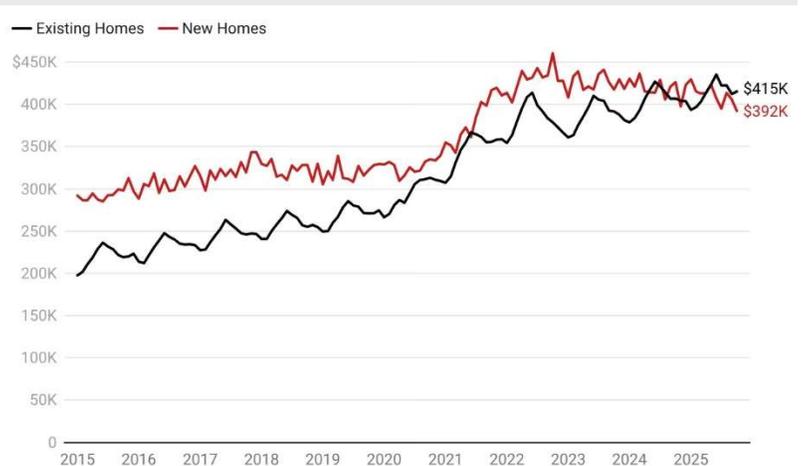
Oct 2025 Housing Statistics **Figure 2**

	M/M	Y/Y
Housing Starts	(4.6%)	(7.8%)
Single Family	5.4%	(7.8%)
Multi-Family	(25.9%)	(10.8%)
Housing Permits	(0.2%)	(1.1%)
Single Family	(0.5%)	(9.4%)
Multi-Family	0.4%	17.9%
Housing Under Construction	(0.2%)	(10.1%)
Housing Completions	1.1%	(15.3%)
New Single Family Home Sales	(0.1%)	18.7%
Existing Home Sales	1.2%	1.7%
Existing Home Inventory	-	10.9%

Source:

U.S. Census Bureau & National Association of Realtors

Median Prices of New and Existing Homes **Figure 3**



Median sales price in dollars

Chart: Realtor.com • Source: U.S. Census Bureau/U.S. Department of Housing and Urban Development/National Association of Realtors • Created with Datawrapper

U.S. 30 Year Fixed Mortgage Rate

Figure 4



Furniture Stocks Will Be Trading 23/5 in 2026

On Monday, December 15th, 2025 Nasdaq has filed a rule change with the Securities and Exchange Commission (SEC) to extend trading of its U.S.- listed stocks and exchange-traded products (ETPs). If approved Nasdaq would expand its trading hours from 16 to 23 hours each weekday. Under the new proposal, which is expected to launch in Q3 of this year, the 23-hour trading day would be split into two sessions. The day session would start at 4:00 a.m. to 8:00 p.m. ET, followed by a 1-hour maintenance break, then with the night session operating from 9:00 p.m. to 4:00 a.m.

This move would be beneficial to increasing participation, especially from global investors. Asian-Pacific investors who will now be able to trade during their daytimes instead of when they're supposed to be asleep. This is also attractive to the younger generation of traders growing up with crypto trading that is always open, always moving, always reacting.



This new model creates a continuous price discovery but it also creates continuous stress on the system and people involved. Institutional firms will need to evolve with staffing around the clock following overnight news that would be priced in immediately. Traders and analysts will have to face nonstop markets that may increase analyst burnouts and mistakes.

While there are only a handful of furniture companies listed on the Nasdaq, it will be interesting to see the effects that it will have to notable companies like Wayfair and Sleep Number and if its success will mean the same for the New York Stock Exchange who is currently pursuing its own extended-hours operation on Arca which is an electronic securities exchange that specializes in ETPs.

LATEST IMPORT STATISTICS

We offer the following quarterly tables (1 - 6, all sourced from the United States International Trade Commission) to show and quantify the latest important source nations for the U.S.

China is continuing to see the brunt of the impacts of the tariffs exporting almost half of what it did in Q3 than it did in Q1. Imports of furniture in the third quarter from Vietnam only dropped 5.7% versus last year faring well with all the shock of tariffs.

Mexico and Canada are continuing to see the effects of the tariffs as well, again in almost all categories. Total furniture exports to the U.S. dropped by 25.6% and 22.7%, respectively, in the third quarter of 2025 versus last year.

South Eastern Asian countries are continuing to show growth. Thailand and Cambodia showed double-digit growth three quarters in a row. Indonesia and Malaysia showed double-digit growth in the first two quarters on a year-to-year basis as well.

All Household Furniture Imports by Significant Countries

Table 1.

USD \$ (millions)

Country	1Q24	2Q24	3Q24	1Q25	2Q25	3Q25	1Q%Δ	2Q%Δ	3Q%Δ
Vietnam	2,414.5	2,408.6	2,688.9	2,826.5	2,713.0	2,536.4	17.1%	12.6%	-5.7%
China	2,653.5	2,454.8	2,275.0	2,452.3	1,401.7	1,258.9	-7.6%	-42.9%	-44.7%
Mexico	669.8	692.3	700.3	621.4	512.2	520.9	-7.2%	-26.0%	-25.6%
Canada	496.4	547.7	523.4	476.1	401.1	404.4	-4.1%	-26.8%	-22.7%
Italy	328.6	343.5	354.3	306.2	341.5	336.3	-6.8%	-0.6%	-5.1%
Indonesia	330.3	285.8	322.8	386.0	367.0	294.6	16.9%	28.4%	-8.7%
Malaysia	286.9	277.4	256.6	318.9	306.2	276.0	11.1%	10.4%	7.6%
Thailand	122.2	129.9	162.8	164.5	160.1	211.7	34.7%	23.3%	30.0%
Cambodia	111.2	131.5	138.6	174.4	181.8	185.3	56.9%	38.2%	33.7%
India	152.0	170.6	153.4	158.9	154.5	155.3	4.5%	-9.4%	1.3%

Wood Furniture Imports by Significant Countries

Table 2.

USD \$ (millions)

Country	1Q24	2Q24	3Q24	1Q25	2Q25	3Q25	1Q%Δ	2Q%Δ	3Q%Δ
Vietnam	1,386.1	1,353.5	1,567.5	1,532.4	1,475.4	1,387.4	10.5%	9.0%	-11.5%
China	443.9	374.9	411.5	407.1	238.5	264.9	-8.3%	-36.4%	-35.6%
Malaysia	240.5	228.2	213.7	264.8	233.0	228.2	10.1%	2.1%	6.8%
Italy	187.0	196.1	219.2	171.8	194.4	206.9	-8.1%	-0.9%	-5.6%
Canada	237.6	259.8	262.2	222.0	205.7	206.8	-6.6%	-20.8%	-21.1%
Mexico	193.0	196.9	203.7	184.2	170.0	176.6	-4.5%	-13.6%	-13.3%
Indonesia	198.6	174.8	190.7	201.4	192.0	161.6	1.4%	9.8%	-15.3%
India	104.1	120.9	109.7	108.8	112.2	110.8	4.5%	-7.2%	0.9%
Thailand	62.1	71.7	82.3	72.9	71.9	76.9	17.3%	0.3%	-6.6%
Poland	60.4	65.3	66.3	50.1	83.8	74.6	-17.1%	28.4%	12.5%

Upholstered Furniture Imports by Significant Countries

Table 3.

USD \$ (millions)

Country	1Q24	2Q24	3Q24	1Q25	2Q25	3Q25	1Q%Δ	2Q%Δ	3Q%Δ
Vietnam	736.8	726.8	798.6	866.7	867.8	842.3	17.6%	19.4%	5.5%
China	756.3	724.1	755.9	670.9	370.3	398.3	-11.3%	-48.9%	-47.3%
Mexico	212.9	214.9	206.0	180.3	158.5	174.1	-15.3%	-26.3%	-15.5%
Italy	88.4	90.9	84.6	80.8	95.2	80.4	-8.5%	4.7%	-5.0%
Cambodia	49.0	50.1	42.3	65.0	64.1	73.2	32.6%	28.1%	73.2%
Canada	70.2	72.8	61.6	65.5	56.4	55.7	-6.6%	-22.5%	-9.5%
Malaysia	35.8	35.6	28.8	42.7	34.3	32.4	19.3%	-3.7%	12.2%
Thailand	16.7	17.5	17.8	18.5	22.6	27.8	11.0%	29.4%	56.0%
Indonesia	24.4	21.9	24.6	24.4	20.7	24.4	0.1%	-5.2%	-0.8%

Metal & Other Furniture Imports by Significant Countries

Table 4.

USD \$ (millions)

Country	1Q24	2Q24	3Q24	1Q25	2Q25	3Q25	1Q%Δ	2Q%Δ	3Q%Δ
China	1,451.9	1,349.0	1,091.7	1,372.8	792.3	594.9	-5.4%	-41.3%	-45.5%
Vietnam	277.5	321.5	314.5	415.8	358.1	293.0	49.8%	11.4%	-6.8%
Mexico	200.5	246.4	261.5	238.5	166.6	152.6	19.0%	-32.4%	-41.6%
Canada	182.5	207.6	190.6	176.8	126.1	124.8	-3.1%	-39.3%	-34.5%
Thailand	43.4	40.6	62.1	72.5	65.0	106.6	67.1%	59.9%	71.8%
Taiwan	96.8	110.0	135.8	98.4	94.0	95.9	1.6%	-14.5%	-29.4%
United Kingd	37.1	34.5	47.7	41.2	55.4	56.0	11.0%	60.7%	17.3%
Cambodia	27.8	38.2	46.1	64.2	61.3	50.0	131.1%	60.2%	8.6%
Italy	52.3	56.0	50.1	53.4	51.7	48.8	2.0%	-7.7%	-2.6%
India	38.2	39.5	35.3	41.8	33.9	36.4	9.6%	-14.2%	3.2%
Indonesia	41.9	29.8	29.6	56.5	49.1	26.4	35.0%	64.9%	-10.9%

Mattress Imports by Significant Countries

Table 5.

USD \$ (millions)

Country	1Q24	2Q24	3Q24	1Q25	2Q25	3Q25	1Q%Δ	2Q%Δ	3Q%Δ
Indonesia	65.5	59.4	77.8	103.8	105.3	82.2	58.4%	77.3%	5.6%
Laos	1.8	8.6	28.8	20.4	18.1	18.6	1057.4%	109.1%	-35.6%
Mexico	63.4	34.1	29.2	18.3	17.1	17.7	-71.1%	-49.9%	-39.5%
Canada	6.2	7.6	9.0	11.8	13.0	17.1	92.5%	72.0%	89.6%
Vietnam	14.0	6.7	8.3	11.7	11.6	13.7	-16.1%	72.7%	65.4%
Poland	3.0	2.8	3.2	6.8	11.4	10.9	124.0%	303.9%	242.8%
Turkey	1.8	1.6	2.1	2.6	4.2	4.7	39.1%	161.3%	124.8%
Malaysia	1.3	1.1	2.4	1.4	2.5	4.1	7.6%	136.4%	70.5%
Singapore	9.6	4.8	9.9	4.1	3.9	3.4	-57.2%	-19.5%	-65.9%
Macedonia	0.1	4.4	6.1	0.9	2.1	2.7	1333.3%	-52.4%	-56.0%
Cambodia	1.3	1.7	5.1	2.8	3.3	2.4	114.0%	94.2%	-54.1%
United Kingd	1.9	1.8	2.5	2.2	2.6	2.1	14.1%	46.0%	-17.5%

Furniture Imports by Category

Table 6.

USD \$ (millions)

Furniture Category	2022	2023	2024	23-22%Δ	24-23%Δ
Total Furniture	\$41,362.3	\$32,416.9	\$33,881.6	-21.6%	4.5%
Wood Furniture	17,959.3	13,544.1	14,374.3	-24.6%	6.1%
Upholstered Furniture	9,448.6	7,684.8	8,454.2	-18.7%	10.0%
Metal & Other	12,507.7	9,828.7	10,156.7	-21.4%	3.3%
Mattresses	1,446.7	1,359.3	896.5	-6.0%	-34.0%

* All import data is from the United States International Trade Commission

Monthly Numbers

Table 7.

% Change y/y	2025											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total consumption of furniture & bedding (a)	4.1%	7.7%	8.1%	8.2%	7.2%	5.2%	4.8%	4.8%	0.4%	N/A	N/A	
Furniture stores sales (b)	6.9%	3.0%	6.9%	8.0%	5.2%	4.3%	6.2%	2.9%	(1.4%)	0.5%	(4.1%)	
Furniture factory shipments (c)	3.5%	(5.5%)	1.0%	(1.5%)	(2.5%)	(4.0%)	2.5%	(6.0%)	6.0%	4.8%	N/A	
% Change y/y	2024											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total consumption of furniture & bedding (a)	(4.0%)	(2.2%)	(1.0%)	0.1%	0.7%	0.1%	1.0%	0.6%	3.1%	4.9%	4.0%	10.1%
Furniture stores sales (b)	(12.4%)	(5.0%)	(10.7%)	(4.4%)	(3.1%)	(6.5%)	1.6%	(0.4%)	(0.5%)	4.5%	3.2%	8.4%
Furniture factory shipments (c)	(13.0%)	(7.0%)	(17.5%)	(5.0%)	(8.4%)	(8.0%)	1.6%	(9.5%)	(6.5%)	(4.2%)	1.8%	(3.0%)

Sources:

(a) U.S. Department of Commerce (b) U.S. Census Bureau (c) "Furniture Insights" a monthly publication by Smith Leonard

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