

# The Furnishings Digest

April 2026  
Volume 33, Issue #2

The latest news, views, and announcements

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**The War in IRAN**

When the United States and Israel initially launched joint surprise strikes on Iran in late February, Washington stressed that this would be an operation that would be over in a few weeks and would not be a forever war. As of the second week of April we are in the middle of a two week ceasefire (but there are still signs of firing). We are not going to get into politics or public opinions but address some of the ripple effects that rising global oil prices have had on the U.S. consumer, economy and our industry.

**Gas Prices**

Let's start with the obvious effect, Americans are paying more at the pump. The war in Iran, especially the closing of the Strait of Hormuz (which handles 1/5<sup>th</sup> of the world's crude oil shipments), has created a shock in the oil market surpassing record levels of price per barrel set when Russia invaded Ukraine in 2022 sending the national average gasoline retail price to over \$4 a gallon.

An analysis by scholars at the Stanford Institute for Economic Policy Research projected that "the average household will pay \$857 more for gasoline by the end of the year". Gasoline is one of our least discretionary items in our budget.

## Consumer Spending

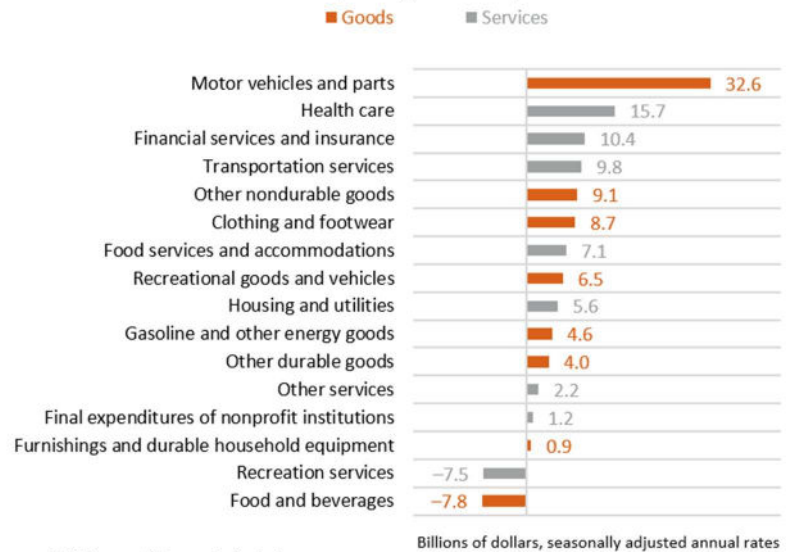
The newest personal consumption expenditure data from the Department of Commerce (4/9/26) showed that the American consumer remains resilient despite persistent inflation and higher costs of living. According to the report, there were increases of \$58.7 billion in spending on goods and \$44.5 billion on services totaling an increase of \$103.2 billion in February (on a month/month basis).

Consumption of furniture (excluding decorative items, floor and window coverings) remained roughly flat, down \$177 million (0.1%) also on a month/month basis.

The report also pointed out that disposable personal income decreased by \$18.3 billion. Considering data from the Federal Reserve (Figure 1) showing outstanding debt has been steadily rising we can surmise this: Less disposable income coupled with higher spending is an indicator that consumers are either digging into their savings or taking on new debt which is not sustainable for a long term.

### Changes in Monthly Consumer Spending February 2026

Consumer spending increased \$103.2 billion

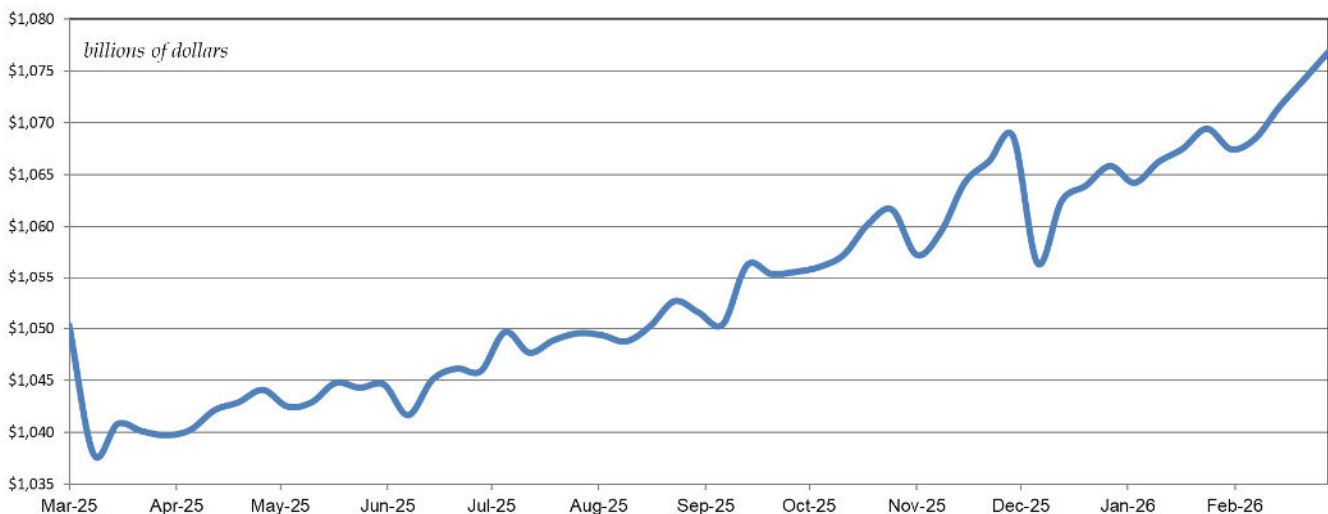


U.S. Bureau of Economic Analysis

Billions of dollars, seasonally adjusted annual rates

### Consumer Loans: Credit Cards and Other Revolving Plans, All Commercial Banks

Figure 1



Source: Board of Governors of the Federal Reserve System

Overall, inflation increased as expected and will likely be higher when March data comes out next month due to the war with Iran which will discourage the Federal Reserve from cutting rates any time soon. Prior to the war there were optimistic talks that rates could come down but due to new uncertainties there are now predictions that the Fed will not issue a single rate cut this year.

## Oil Drives Inflation and Inflation Drives Rates

Days before the surprise attack, 30-year fixed mortgage rates finally fell below 6%, something that hadn't happened since September of 2022. But since then, they have shot right back up to about 6.5% and dropped slightly to 6.4% as of April 9<sup>th</sup>.

**U.S. Mortgage Rates**

**Figure 2**



Source: FreddieMac

Mortgage rates tend to follow the bond market, particularly 10-year Treasury notes. Because of increased uncertainty from the war, the cost of borrowing had gone up.

Due to the government shutdown, we only have housing data for January. Data for both February and March will be released later this month.

However, the newest report released by National Association of Realtors showed a 1.7% increase in sale of existing homes on a month-over-month basis.

They also reported eight straight months of improvement in housing affordability due to overall reduction in mortgage and interest rates.

**January 2026 Housing Statistics**

**Figure 3**

	M/M	Y/Y
Housing Starts	7.8%	9.5%
Single Family	(2.8%)	(6.5%)
Multi-Family	29.1%	56.9%
Housing Permits	(5.4%)	(5.8%)
Single Family	(0.9%)	(11.6%)
Multi-Family	(13.4%)	8.9%
Housing Under Construction	(0.9%)	(9.6%)
Housing Completions	4.8%	(7.5%)
New Single Family Home Sales	(17.6%)	(11.3%)

Source:

U.S. Census Bureau

Buyers are having a friendlier experience than last year with more inventories of existing homes (up 2.4%), homes staying longer on the market before being sold, and fewer homes being sold above the listing price.

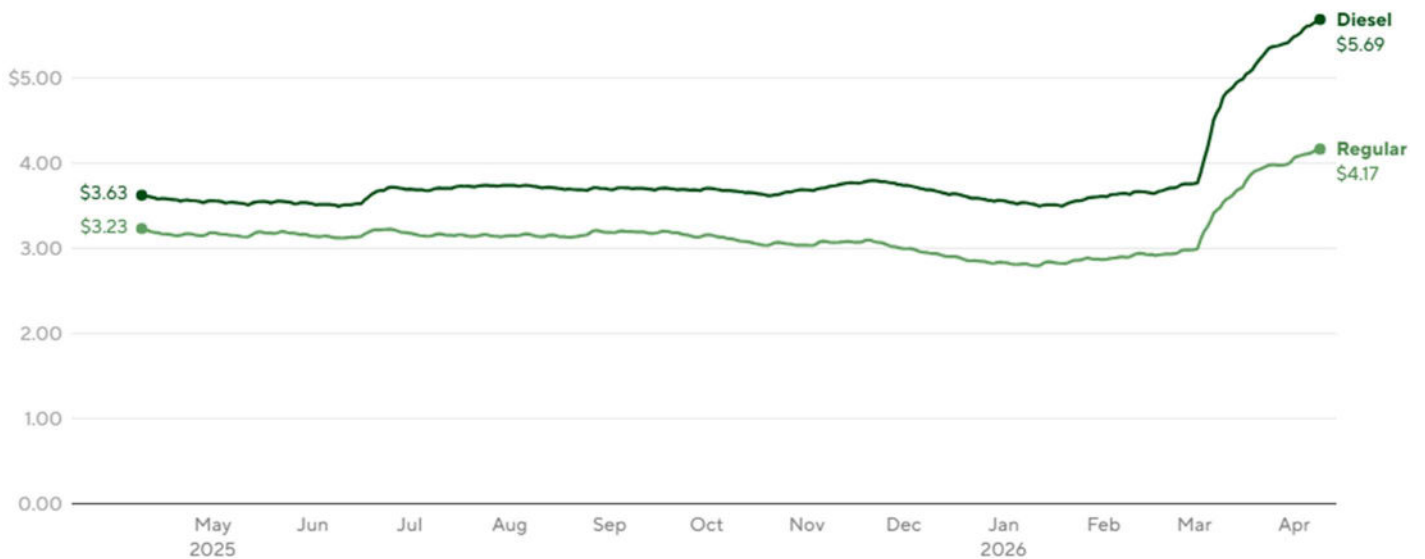
And according to the Zillow Home Value Index, U.S. home values have fallen for six consecutive months which has also helped with affordability for home buyers.

## Transportation/Delivery Costs

Adding to the pressures of inflation are the trucking rates. Trucking operators have seen diesel prices jump by more than 40% since the start of the war in Iran, in the middle of a trucking resurgence. Capacity is tightening quickly as the driver shortage continues with employment levels in the industry at its lowest since September of 2020.

Gas Prices Over Time

Figure 4



As of Apr 09, 2026.

Chart: Grace Manthey / CBS News • Source: [AAA](#)

Haulers have responded by raising the weekly per-mile fuel surcharge paid by shippers. National dry van spot rates have broken out to a new cycle high of \$2.89 per mile, representing the strongest level since 2022. (freightwaves.com)

To mitigate these costs, companies like UPS and FedEx use surcharges to offset higher costs. Even the U.S. Postal Service (USPS) announced a temporary 8% surcharge on specific shipping services from April 26, 2026, to Jan. 17, 2027, to offset rising fuel and transportation costs.

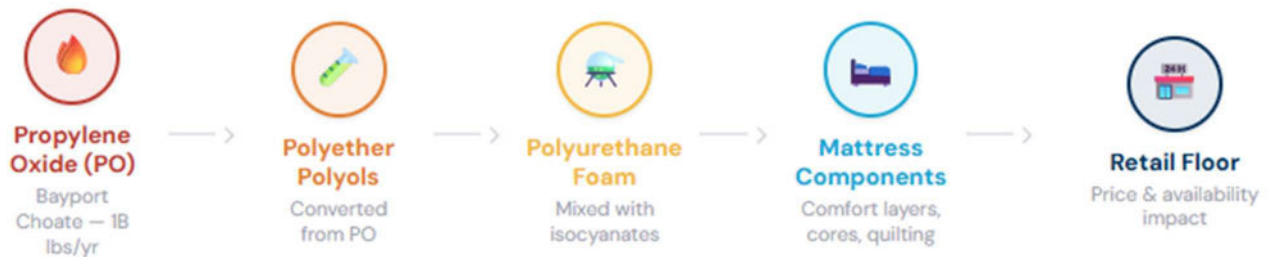
Those selling furniture (or anything else) through Amazon know that the company is instituting a temporary surcharge for third-party sellers who use the company's fulfillment services, with plans to begin charging the new fees in the coming weeks.

Although transportation costs are usually a small portion of the final price paid by the consumers, companies faced with increasing fuel prices and fees may decide to share some of their burden with consumers.



## Foam Industry Hit Hard, Again

Quick lesson in foam mattresses, Propylene Oxide (PO) is converted into Polyether Polyols. Those polyols are mixed with isocyanates in particular ratios (more isocyanates for firmer or less for softer) to create Polyurethane or Memory Foam. Why the lesson? Because the basic building blocks of producing foam mattresses are a derivative of petroleum, where increases in oil prices have been directly affected by the current conflict in Iran.



Source: The FAM (For All-things Mattress)

On top of that, on March 12<sup>th</sup>, a fire broke out at LyondellBasell’s Bayport Choate facility in Pasadena, Texas which is the worlds largest production site for propylene oxide. By the 17<sup>th</sup>, the company declared “force majeure”, which frees parties from liabilities or obligations due to extraordinary circumstances. What does that mean, foam availability for manufacturers in the U.S. has immediately been constricted.

The thing about foam is, the mattress industry isn’t the only one that uses it and it has no control over the supply chain. U.S. buyers in construction insulation, automotive seating and furniture cushioning are all in aggressive competition for the procurement of available foam. When the supply shrinks, producers tend to prioritize key accounts ahead of others. It is usually the larger buyers with the long-standing relationships (automotive manufacturers) that get first access leaving smaller manufacturers scrambling. The FAM reported double-digit increases in foam-related input costs of 15-20% due to the disruptions.

The supply disruption of foam isn’t new to the mattress industry, from hurricanes and winter storms shutting down plants, the Corona Virus, and even the recent fire in Texas, the FAM also mentions that they all follow a predictable sequence: a sudden disruption at the raw material level, followed by allocation, followed by price increases, followed by a slow and uneven recovery. If their predictions are correct, we can possibly be in the recovery phase by late summer or early fall.



## Tariff Refunds

After months of delays the Supreme Court ruled 6-3 that the sweeping tariffs imposed by President Trump were unconstitutional and that the President lacked legal authority to impose broad global tariffs under the International Emergency Economic Powers Act IEEPA.

The Supreme Court's decision is welcome news for businesses and consumers around the country that have seen significant cost increases and supply chain disruptions because of the tariffs. But returning the \$166 billion collected from over 330,000 importers with 53+ million entries will be no easy task.

Customs and Border Patrol's (CBP) Consolidated Administration and Processing of Entries (CAPE) refund portal is targeted to start accepting declarations April 20<sup>th</sup>. Once accepted, the CBP estimates a 45-day window from acceptance to issuance of the full refund. Make sure you're registered for an Automated Clearing House (ACH) because the CBP will not be issuing refunds by paper checks.



Going forward, once the importers recoup their money, We are interested to see whether the retailers/consumers who also absorbed some of the price increases due to the tariffs get anything in return and if so what would that look like?

## Could It Look Like Stimulus Checks?

We have previously stated that the President has been promising a tariff dividend stimulus check of \$2,000 to all Americans and we could be getting our checks by mid-2026. But with the Supreme Court's decision in February ruling that the President's tariffs are illegal, those hopes have been toppled.

There is currently a bill introduced by Senator Bernie Sanders called the "Make Billionaires Pay Their Fair Share Act". It is also a stimulus check proposal that would establish a 5% annual wealth tax on the 938 billionaires in America and provide an annual \$3,000 direct payment to every man, woman and child in a household making \$150,000 or less. An annual stimulus check!

An article from Forbes says, "The amount of money that can be generated from such a wealth tax would be tremendous... if passed, would raise \$4.4 trillion over the next decade." It goes on to further mention that since it is an annual wealth tax of 5% that it would slowly chip away at the wealth of America's billionaires and by 15 years it could possibly be cut in half.



**Elizabeth Warren**   
@ewarren

The Ultra-Millionaire Tax Act would generate over \$6 trillion over the next decade—without raising taxes on 99.85% of American households.

This wealth tax for millionaires and billionaires could pay for universal child care, free community college, Medicare expansion, and more.

“At a time of unprecedented income and wealth inequality, this legislation demands that the billionaire class in America finally pay their fair share of taxes so that we can create an economy that works for all of us, not just the 1%,” Sanders, I-Vermont, said in a statement.

These taxes would be used to address healthcare by funding Medicare and Medicaid, housing by constructing over 7 million affordable homes, and education needs including setting a \$60,000 minimum salary for every public school teacher.

We are not sure how willing Mr. Musk would be to pay \$42 billion in taxes but it is fun to contemplate what we would spend our money on if we won the Powerball.

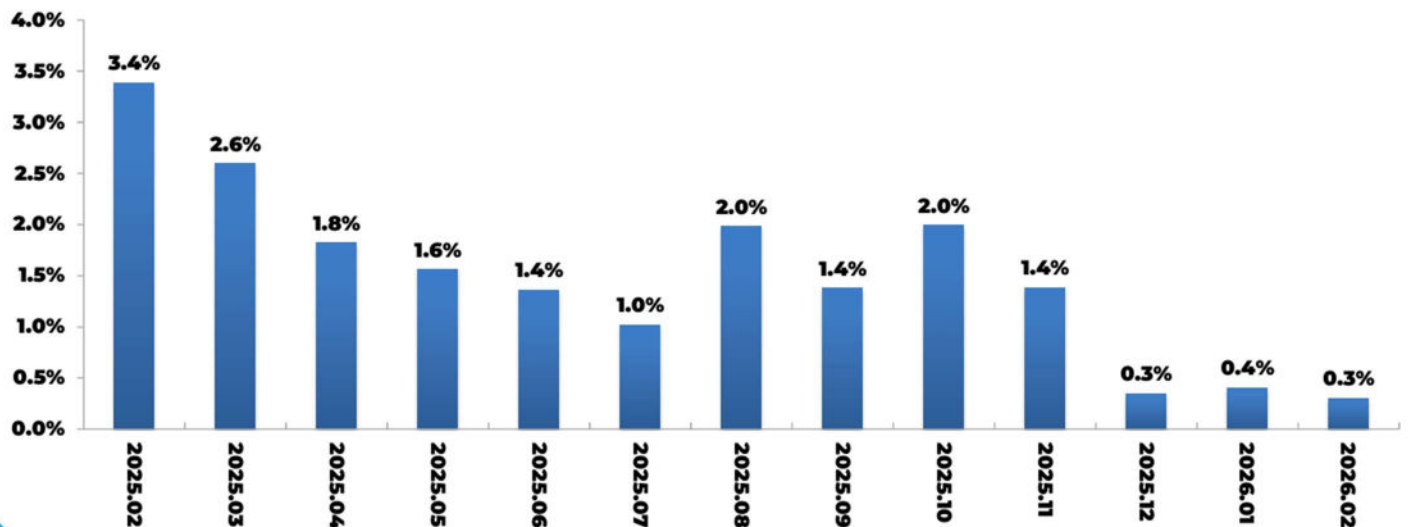
### **Biggest Housing Bill in Over 30 Years**

On the government’s continuing crusade to tackle housing affordability, the U.S. Senate recently passed the 21st Century ROAD to Housing Act (H.R. 6644) with a bipartisan 89-10 vote, described as the largest housing supply bill in over 30 years.

The bill has more than 40 different provisions with many focused on boosting the housing supply. Currently, the median sale price of an existing home is \$398,000 (National Association of Realtors), up 0.3% from one year ago – the 32nd consecutive month of year-over-year price increases. That is approximately \$70,00 more than an average family can afford, according to a Zillow report. Much of that is due to the shortage of houses increasing the prices.

**Y/Y Percent Change of Average Existing Homes Sale Price**

**Figure 5**



Source: National Association of Realtors

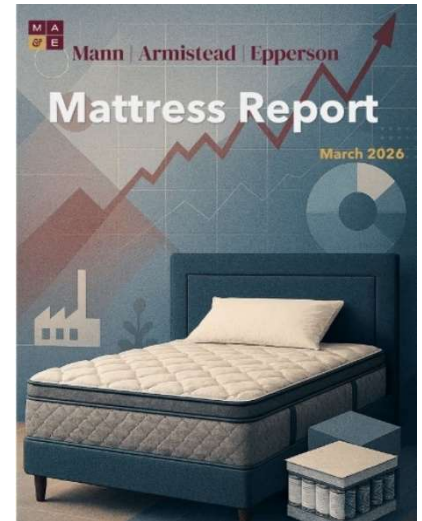
It is designed to expand homeownership opportunities, particularly for first-time buyers, veterans, rural communities, and low- to moderate-income families. The bill is currently awaiting approval in the House

## Go to MAELTD.COM

Recently Mann, Armistead & Epperson released a special edition of the Furnishings Digest, our 2026 Mattress Report. It looks into the current state of the mattress industry, the challenges that it faces and even some positive points on why the industry is positioned to grow.

If you have not seen it and would like your FREE copy, please go to [maeltd.com](http://maeltd.com).

While you're there you can also download past issues of the Digest and sign up to receive them going forward if you're not subscribed to get them already.



## Talk With Us

With all that's going on in our industry; factory shutdowns, sourcing issues, major policy rulings, tariff refunds, shifting patterns in retail, etc., you might want to consider what opportunities are out there of which to take an advantage.

**Mann, Armistead & Epperson, Ltd. (MAE)** will be well represented at this High Point Market to discuss any opportunities with you. Schedule an appointment with Jimm Mann [jmm@maeltd.com](mailto:jmm@maeltd.com); Howard Armistead [wha@maeltd.com](mailto:wha@maeltd.com); or Mike Watson [mwatson@maeltd.com](mailto:mwatson@maeltd.com) and we hope that you all have a great High Point Market, see you there.

## 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 significant source nations for the U.S.

On an annual basis, imports in every household furniture category that we follow showed year-over-year declines due to the impacts of the overturned sweeping tariffs imposed last year.

Total household furniture saw a decrease in imports by 12.7%. China, Mexico and Canada, the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> largest exporters of furniture to the United States saw double-digit declines of 35.8%, 21.8 and 21.1% respectively.

However, not all nations saw declines. Of the top 10 exporters of furniture to the U.S., five of them were ASEAN nations and they all showed positive growth. Vietnam, representing 35.9% of all furniture imports, grew 2.1%. #5 Indonesia and #7 Malaysia showed a respectable 1.6% and 1.5% growth in these uncertain times. But the breakout nations were #8 Cambodia and #9 Thailand whose nations managed to export 33.6% and 21.3% more furniture to us.



On a quarterly basis, China is continuing to see the brunt of the impacts of the tariffs, exporting almost half of what it did last year and about 20% less than it did in the third quarter. Imports of furniture from Vietnam only dropped 12.0% versus last year but that against a strong 4Q24.

Mexico and Canada are still seeing double-digit declines in almost all categories. Total furniture exports to the U.S. dropped by 28.4% and 26.1%, respectively, in the fourth quarter of 2025 versus last year. We say almost all categories because the Canada is exporting almost 88% more mattresses to the United States than it did last year.

Cambodia and Thailand were the only countries in the top 10 that showed positive gains this quarter over 2024.

**All Household Furniture Imports by Significant Countries**

Table 1.

USD \$ (millions)

Country	3Q24	4Q24	3Q25	4Q25	3Q%Δ	4Q%Δ
Vietnam	\$2,688.9	\$2,890.8	\$2,536.4	\$2,542.7	-5.7%	-12.0%
China	2,275.0	2,180.1	1,258.9	1,023.6	-44.7%	-53.1%
Mexico	700.3	643.6	520.9	460.7	-25.6%	-28.4%
Canada	523.4	500.3	404.4	369.6	-22.7%	-26.1%
Italy	354.3	313.0	336.3	304.6	-5.1%	-2.7%
Indonesia	322.8	389.0	294.6	301.4	-8.7%	-22.5%
Malaysia	256.6	317.7	276.0	254.5	7.6%	-19.9%
Cambodia	138.6	170.6	185.3	195.7	33.7%	14.7%
Thailand	162.8	187.1	211.7	193.9	30.0%	3.6%
India	153.4	176.4	155.3	120.2	1.3%	-31.8%

**Wood Furniture Imports by Significant Countries**

Table 2.

USD \$ (millions)

Country	3Q24	4Q24	3Q25	4Q25	3Q%Δ	4Q%Δ
Vietnam	\$1,567.5	\$1,627.4	\$1,387.4	\$1,331.1	-11.5%	-18.2%
China	411.5	404.2	264.9	215.1	-35.6%	-46.8%
Malaysia	213.7	265.8	228.2	210.8	6.8%	-20.7%
Canada	262.2	233.5	206.8	190.2	-21.1%	-18.5%
Italy	219.2	178.4	206.9	170.0	-5.6%	-4.7%
Indonesia	190.7	198.9	161.6	158.6	-15.3%	-20.2%
Mexico	203.7	188.4	176.6	147.1	-13.3%	-21.9%
India	109.7	127.0	110.8	86.4	0.9%	-31.9%
Thailand	82.3	83.5	76.9	75.2	-6.6%	-9.9%
Poland	66.3	56.2	74.6	59.5	12.5%	5.8%

**Upholstered Furniture Imports by Significant Countries**

Table 3.

USD \$ (millions)

Country	3Q24	4Q24	3Q25	4Q25	3Q%Δ	4Q%Δ
Vietnam	\$798.6	\$885.1	\$842.3	\$864.3	5.5%	-2.4%
China	755.9	698.4	398.3	318.0	-47.3%	-54.5%
Mexico	206.0	200.9	174.1	154.2	-15.5%	-23.2%
Italy	84.6	80.1	80.4	87.7	-5.0%	9.5%
Cambodia	42.3	57.9	73.2	69.9	73.2%	20.7%
Canada	61.6	63.3	55.7	42.6	-9.5%	-32.7%
Malaysia	28.8	37.2	32.4	29.4	12.2%	-21.1%
Thailand	17.8	19.2	27.8	22.8	56.0%	18.7%
Indonesia	24.6	26.1	24.4	19.7	-0.8%	-24.3%

**Metal & Other Furniture Imports by Significant Countries**

Table 4.

USD \$ (millions)

Country	3Q24	4Q24	3Q25	4Q25	3Q%Δ	4Q%Δ
China	\$1,091.7	\$1,072.4	\$594.9	\$486.7	-45.5%	-54.6%
Vietnam	314.5	362.0	293.0	335.6	-6.8%	-7.3%
Mexico	261.5	227.1	152.6	141.7	-41.6%	-37.6%
Canada	190.6	194.6	124.8	120.0	-34.5%	-38.3%
Thailand	62.1	83.9	106.6	95.8	71.8%	14.2%
Taiwan	135.8	138.9	95.9	70.2	-29.4%	-49.4%
Cambodia	46.1	64.3	50.0	67.3	8.6%	4.6%
United Kingdom	47.7	49.3	56.0	54.1	17.3%	9.9%
Italy	50.1	54.4	48.8	46.7	-2.6%	-14.2%
Indonesia	29.6	38.8	26.4	39.1	-10.9%	0.9%
India	35.3	40.8	36.4	28.6	3.2%	-29.8%

**Mattress Imports by Significant Countries**

Table 5.

USD \$ (millions)

Country	3Q24	4Q24	3Q25	4Q25	3Q%Δ	4Q%Δ
Indonesia	\$77.8	\$125.4	\$82.2	\$84.0	5.6%	-33.0%
Mexico	29.2	27.2	17.7	17.7	-39.5%	-35.1%
Canada	9.0	8.9	17.1	16.8	89.6%	88.2%
Vietnam	8.3	16.3	13.7	11.8	65.4%	-28.0%
Poland	3.2	3.9	10.9	10.3	242.8%	165.0%
Turkey	2.1	2.4	4.7	5.0	124.8%	111.4%
China	16.0	5.1	0.8	3.9	-94.9%	-24.6%
Morocco	0.0	0.5	1.4	2.6	N/M	468.9%
Laos	28.8	29.8	18.6	2.3	-35.6%	-92.2%
Malaysia	2.4	3.5	4.1	2.2	70.5%	-38.7%
South Korea	22.2	19.7	1.6	2.1	-92.7%	-89.2%

**Furniture Imports by Category**

Table 6.

USD \$ (millions)

Furniture Category	2023	2024	2025	24-23%Δ	25-24%Δ
Total Furniture	\$32,404.4	\$33,878.3	\$29,585.7	4.5%	-12.7%
Wood Furniture	13,538.6	14,368.5	13,230.8	6.1%	-7.9%
Upholstered Furniture	7,683.0	8,454.5	7,417.1	10.0%	-12.3%
Metal & Other	9,825.3	10,155.3	8,134.2	3.4%	-19.9%
Mattresses	1,357.4	899.9	803.4	-33.7%	-10.7%

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

**Monthly Numbers**

Table 7.

% Change y/y	2026											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total consumption of furniture & bedding (a)	0.1%	(1.2%)										
Furniture stores sales (b)	(3.9%)	(5.6%)										
Furniture factory shipments (c)	(7.2%)	N/A										
% 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%	0.3%	1.7%	0.7%	(4.0%)
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%)	(5.5%)
Furniture factory shipments (c)	3.5%	(5.5%)	1.0%	(1.5%)	(2.5%)	(4.0%)	2.5%	(6.0%)	6.0%	4.8%	(5.5%)	0.0%

Sources:

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

**ABOUT MANN, ARMISTEAD & EPPERSON, LTD.**

Mann, Armistead & Epperson, Ltd. is a privately owned investment banking and corporate advisory firm. Our clients deal directly with our partners, who bring well over 100 collective years of aggregate investment banking experience. Our track record is undeniably strong – the result of having transacted hundreds of deals since our inception in 1991, spent endless hours developing industry expertise and providing management teams professional advice they could trust at crucial moments in their firms' histories. Please see our website at **MAELTD.com**.

Our services include, but are not limited to, the following:

- **Merger & Acquisition Advisory** – Sell-side and buy-side representation, as well as fairness opinions
- **Valuations and Capital Advisory** – Business valuations, balance sheet restructuring, and capital formation strategies
- **Industry Research and Insights** – Proprietary data, demographic analysis, and market trends

**Investing in Home Furnishings Companies Today: Mergers and Acquisitions**

We specialize in guiding businesses through every stage of growth and transition—from acquisitions to successions. With over 100 combined years of expertise, we deliver insights and strategies that drive accuracy, efficiency, and results. Our deep industry experience, knowledge and global perspective ensure we consistently bring the right opportunities and solutions to the table.

**Trusted Expertise and Proven Results**

MAE combines expert investment banking execution with proprietary research insights to help businesses thrive in dynamic markets. Serving a diverse client base—including family and privately owned companies plus public entities representing manufacturers, service-based firms, private equity, and venture capital groups—we specialize in navigating complex decisions and shifting landscapes. With enterprise values representing typical of middle market transactions (although often quite higher), we have successfully delivered billions of dollars in negotiated value for our clients.

**A Personalized and Focused Approach**

We understand that building and transitioning a business takes skill, dedication, and trust. That’s why every engagement is led by a senior partner, ensuring a personalized and hands-on approach. By collaborating closely with management teams, boards, legal counsel, and accounting teams, we meticulously manage each transaction, always focused on maximizing value and delivering seamless results.

The collage consists of seven transaction completion cards:

- SHERWOOD BEDDING**: has sold a majority ownership interest, previously held by **STEINHOFF INTERNATIONAL HOLDINGS N.Y.** to a wholly-owned subsidiary of **TEMPUR+SEALY**.
- Mor furniture for less**: has sold a majority ownership interest to **Healthcare Co., Ltd.** (A public company registered on the Shanghai Stock Exchange) d/b/a **MLILY**.
- CORSICANA BEDDING, INC.**: with its owners and management have completed a recapitalization in partnership with an investment group led by **LONG POINT CAPITAL**. The undersigned served as financial advisor to Corsicana Bedding, Inc. in this transaction.
- JONATHAN LOUIS**: has acquired certain operating assets of **STYLE LINE FURNITURE** (A wholly owned subsidiary of **Elements**). The undersigned acted as financial advisor to Jonathan Louis International in this transaction.
- SOUTHERLAND™** (making it right since 1892, a portfolio company of Argosy Capital): has been acquired by **32 BRANDS** (a portfolio company of Cerberus Capital). The undersigned acted as financial advisor to Southerland, Inc. in this transaction.
- Badcock HOME FURNITURE & more**: W. S. Badcock Corporation has been acquired by **FRG FRANCHISE GROUP, INC.** The undersigned acted as financial advisor to W. S. Badcock Corporation in this transaction.
- SYMBOL®** Symbol Mattress (formerly known as Eastern Sleep Products Company, Inc., and Theford Leasing, LLC): has sold all of its stock and membership interests to **Corsicana Bedding, LLC** (a subsidiary of **CORSICANA MATTRESS COMPANY**). The undersigned acted as financial advisor to Eastern Sleep Products Company, Inc. and Theford Leasing, LLC in this transaction.

All cards feature the **MANN, ARMISTEAD & EPPERSON, LTD.** logo and the text: **INVESTMENT BANKERS and ADVISORS**.

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