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The Furnishings Digest

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The latest news, views, and announcements

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WHAT EVERYONE IS TALKING ABOUT

The United States, Mexico and Canada co-hosted the 2026 FIFA World Cup. This year’s tournament was full of upsets, surprises and even some scandals. Excluding the politics, the U.S. Men’s soccer team delivered one of its most exciting World Cup runs in recent memory that genuinely united Americans together.

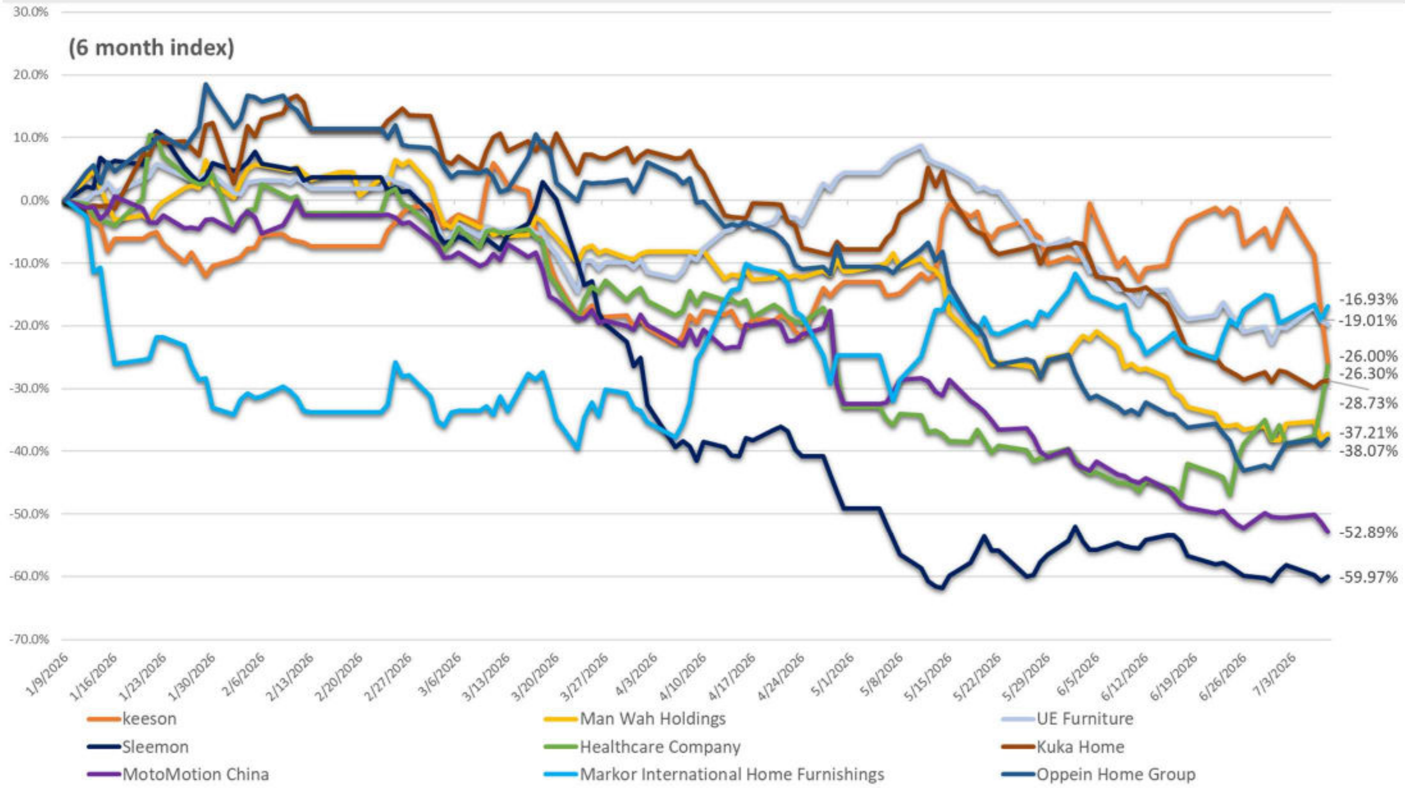
Speaking of the World Cup, we have to mention the clever advertising campaign launched by IKEA Canada that was rolled out across all its socials, digital platforms and billboards.

Titled, “Assemble the World” 18 flags were introduced. They look like ordinary flags of different nations at first, but if you look closer, they are made up of candles, mats, tables, sofas all carefully arranged and all available to purchase to recreate at home from IKEA. It’s simplicity yet inventiveness made this campaign a memorable one.

WHAT'S HAPPENING IN CHINA?

Staying on the global level, we cannot help but to notice that over the past six months, several of China's publicly listed furniture companies have experienced substantial declines. Just taking a sample of a handful of companies, we can see double-digit percent declines in market value when compared to the beginning of the year.

Select Public Chinese Furniture Stock Performance **Figure 1**



Note: Generated by Pitchbook

CHINA'S INDUSTRIAL PROFITS

Financial data released by the National Bureau of Statistics of China on June 28th, showed that industrial profits for the first five months of 2026 were 3,144.0 billion RMB ($463.7 billion), up 18.18% on a year-over-year basis. Industrial profits refer to the total net earnings of all state-owned and non-state-owned manufacturing and industrial enterprises in the country.

While national industrial profits grew during the first five months of the year, furniture manufacturing profits were 3.3 billion RMB ($480 million), plunging by 58.4%. Revenues by furniture manufacturing companies were down by 10.9% ending the first five months with 212.5 billion RMB or $31.3 billion.

CHINA'S PROPERTY MARKET

China's property sector is still in a prolonged slump, significantly reducing the demand for furniture. The downturn is the result of a long and grinding unwinding of a debt-driven housing boom, and its effects have flowed into the furniture sector. Since 2021, the collapse of major developers, stalled construction, and the failure of the pre-sales model have sharply reduced new-home deliveries, triggering a steep drop in furnishing demand.

TARIFFS

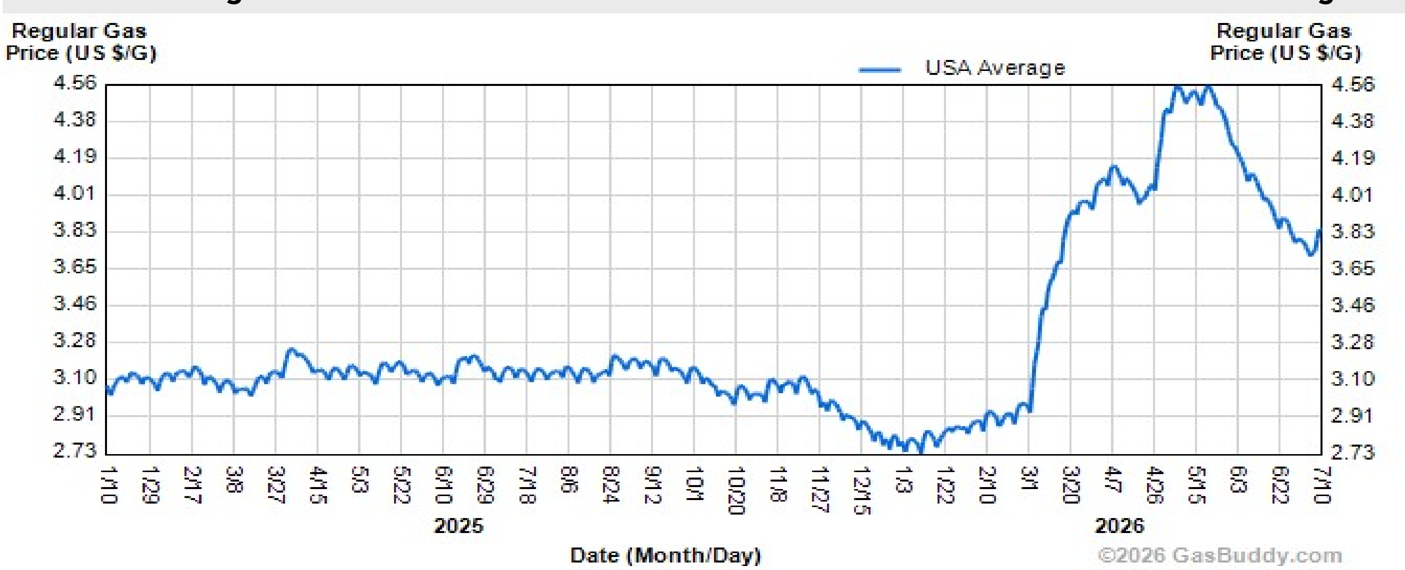
Tariffs have hurt China's furniture industry by sharply reducing its export competitiveness at the exact same time its domestic demand was falling. U.S. Section 301 tariffs and EU anti-dumping measures raised landed costs on Chinese-made furniture, pushing major retailers and OEM buyers toward Vietnam, Malaysia, Indonesia, and Mexico.

As orders shifted offshore, Chinese manufacturers lost their largest growth market, forcing them to cut prices, absorb tariff costs, or operate below capacity — all of which weakened cash flow and strained already thin margins. This external shock collided with China's internal property downturn, where stalled construction, fewer new-home deliveries, and declining renovation spending eroded domestic sales. Heavy-asset furniture companies, with large factories and high fixed costs, were hit hardest. Export revenue fell, domestic demand shrank, and supply chain relocation costs increased, creating a financial squeeze that accelerated the liquidity crises, factory shutdowns, and multi-year losses across the sector.

WHAT'S HAPPENING BACK HOME?

On June 15th officials announced that the U.S. and Iran had reached an initial agreement to reopen the Strait of Hormuz and had an outline for a peace agreement. The good news sparked a glimmer of hope into consumers who were finally seeing gas prices starting to come down. But with the recent collapse of the ceasefire and military activities picking up in Iran, gas prices have reversed course and are beginning to rise once again.

18 Month Average Retail Price Chart **Figure 2**



Source: GasBuddy.com

On Jul 10, 2026, the average cost of gas nationwide was $3.88 per gallon. $0.08 higher since the ceasefire was called off on the 8th, $0.27 lower than a month ago (June 10) and $0.71 higher than a year ago.

WHAT IS THIS WAR COSTING THE CONSUMER?

In an interview with NPR, chief economist at Moody's Analytics, Mark Zandi, quantified how much the war in Iran is costing us. He says that the typical U.S. household is spending $1,100 more in expenses since the war began in early February. To put that in context, that's roughly a new sofa in everyone's living room.

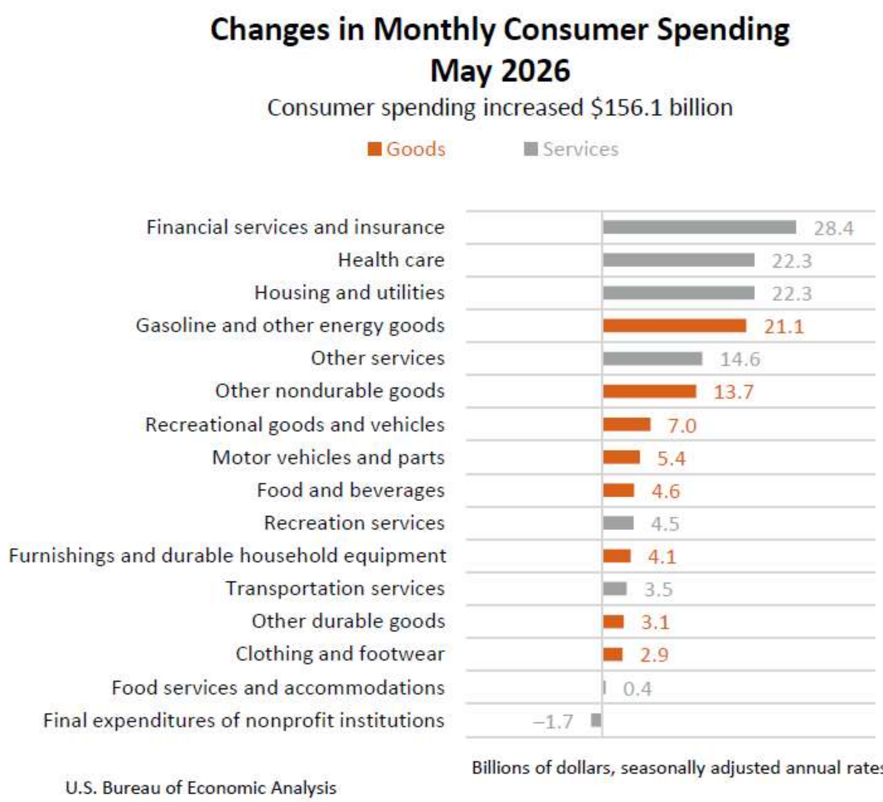
His estimates took into account the increase that the average American paid in gasoline; the rising cost of diesel, which leads to higher transportation costs which then increases retail prices; jet fuel, increasing cost of travel; rising interest rates and lastly the increase military spending. With no end to this war on the horizon his $1,100 estimate is rising by the day.

CONSUMERS ARE SPENDING (MORE)

The newest personal consumption expenditure data from the Department of Commerce (6/25/26) showed that the American consumer spent $156.1 billion more on goods and services in May on a month-over-month basis.

Consumption of furniture (excluding decorative items, floor and window coverings) were up $1.8 billion or 1.1%, also on a month/month basis.

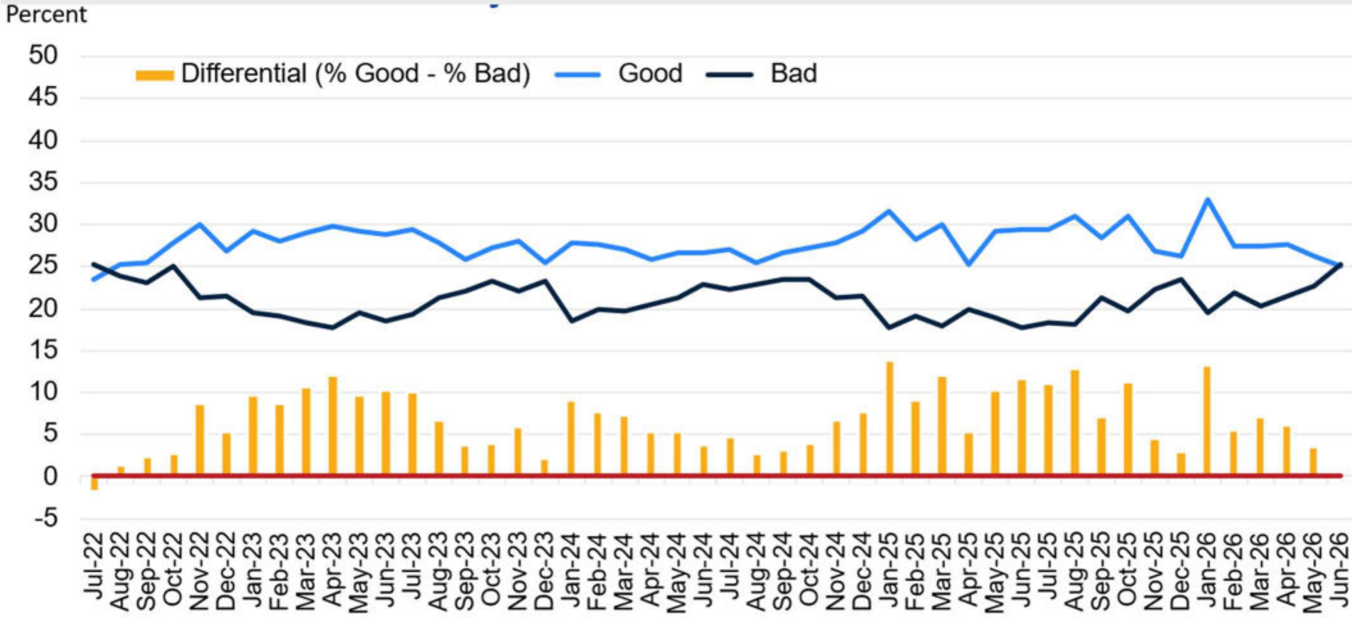
Key point to remember about consumer expenditure data is that it is measured in dollars, not units. Increased consumer spending is fueling the economy but doesn't necessarily mean that consumers are getting more.



But the bottom line is that the American consumer is just not feeling good about their current financial situation.

A survey from the Conference Board that tracks if consumers see their "Family's Current Financial Situation" as "Good" or "Bad" saw that net views declined for a third month in a row. With all the uncertainties there are currently a growing number of fearful consumers that are saying a U.S. recession is "somewhat likely" in the next 12 months.

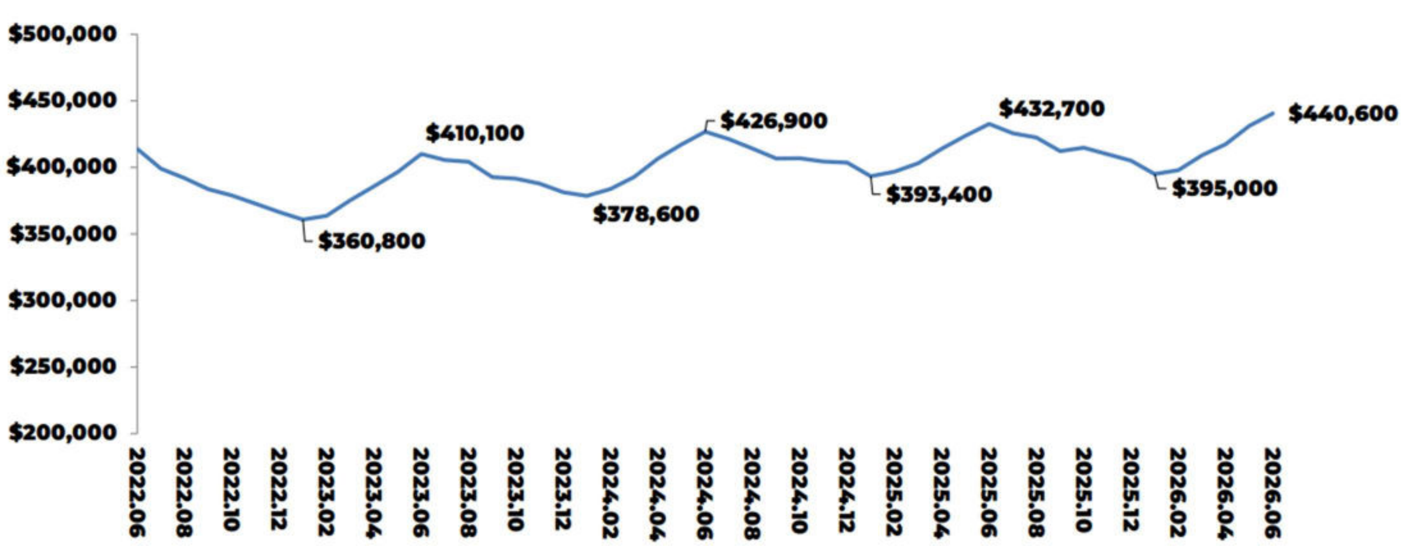
Family's Current Financial Situation **Figure 3**



Source: The Conference Board, Consumer Confidence Survey®

WHAT ABOUT HOUSING?

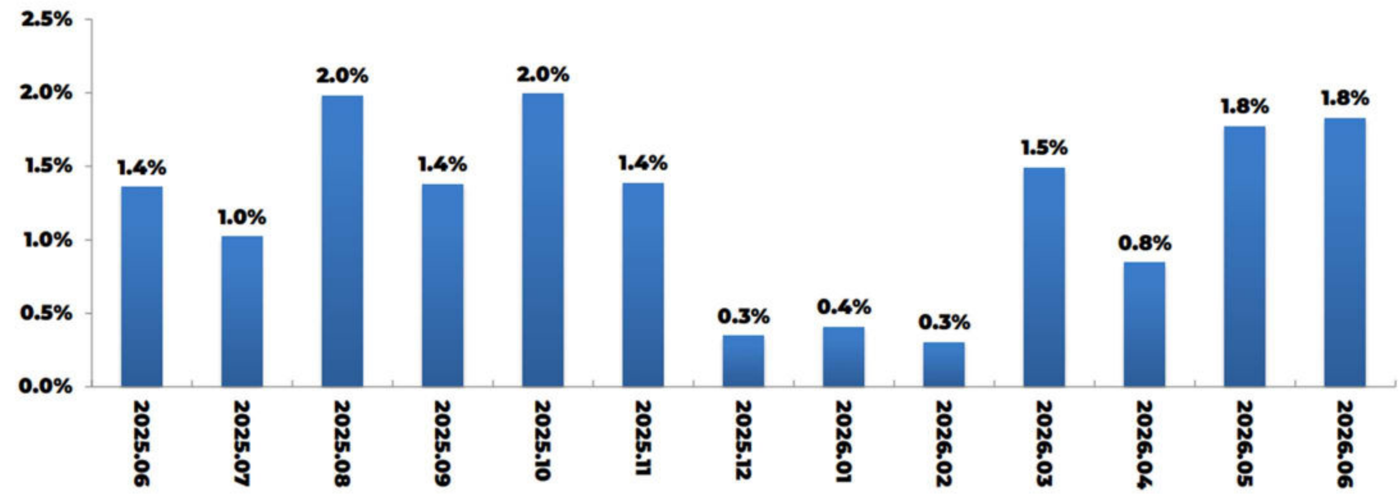
Median Price of Existing Homes Sold **Figure 4**



Source: National Association of Realtors

According to the National Association of Realtors, existing home sales fell by 2.4% to a seasonally adjusted annual rate of 4.1 million units in the month of June versus the prior month but up 2.8% year-over-year. At the same time, the national median existing home price reached an all-time record of $440,600, up 1.8% vs a year ago and 36 consecutive months of uninterrupted price growth.

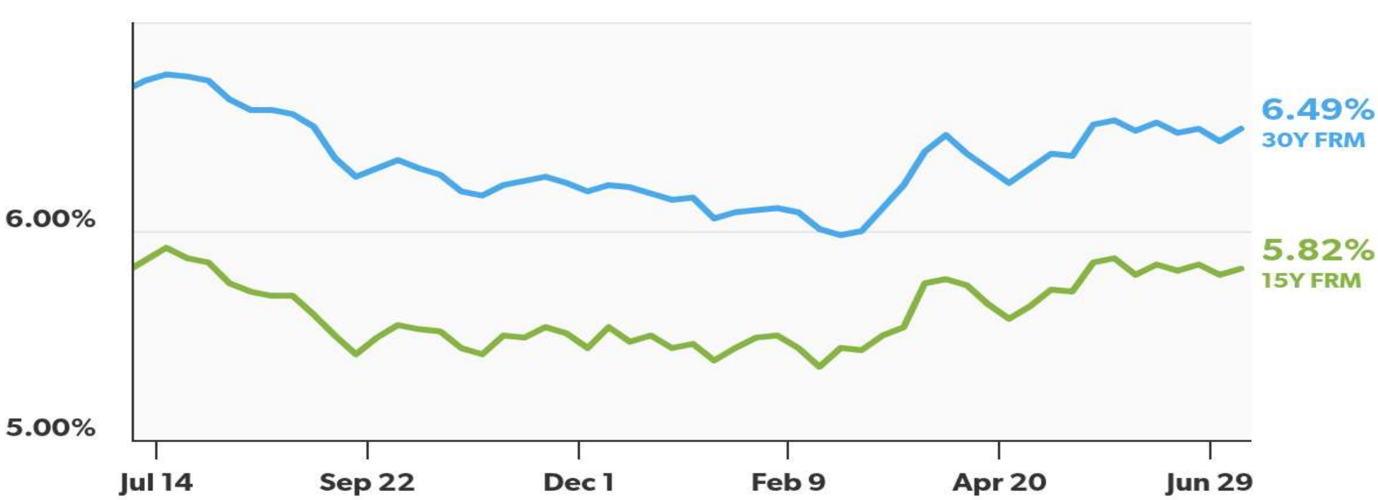
Y/Y Percent Change of Average Existing Homes Sale Price **Figure 5**



Source: National Association of Realtors

Despite sales falling slightly, we can glean a few things. There is volatility in the housing market month-to-month but in neither direction too sharply meaning that it is somewhat stable. Prices have been rising but at a moderate controlled pace. The demand for the homes is there but the buyers are **cautious**.

U.S. Mortgage Rates **Figure 6**



Source: Freddiemac

Average 30-year fixed mortgages have been holding roughly around 6.5% after shooting up on the first days of the war in Iran. The current buyer is strategic before pulling the trigger, doing their homework and waiting for the right combination of rate, price and inventory available knowing that a 0.25% rate change can mean $10-20k price swing in either direction.

The prices in homes aren't falling as we know because the inventory is just not there to relieve the pressure, however the prices aren't spiking either because the buyer is not willing to overpay like they once did.

HELP IS COMING…EVENTUALLY

The historic bill with the most sweeping federal housing legislation that will tackle America's housing affordability problems has just become law as of midnight on July 11th. This new law promises to streamline the federal approval process for housing development, encourage construction of manufactured and modular homes and much more.

The new law is great but here's the big reality check: nothing happens fast. Federal agencies will need to build new programs; States and cities must change their regulations; and construction takes time. Housing experts say prices will eventually fall but most Americans will not feel meaningful relief in 2026 or even 2027.

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, we are continuing to see year-over-year declines in imports in every household furniture category that we follow previously due to the sweeping tariffs imposed last year and now with the continued conflict in Iran and the ramifications on the closure of the Strait of Hormuz.

Total household furniture saw a decrease in imports by 25.6% in the first quarter of 2026 when compared to a year ago. China, Mexico and Canada, the 2nd, 3rd and 4th largest exporters of furniture to the United States, saw double-digit declines of 49.7%, 32.7 and 29.7% respectively in the first quarter.

Of the five ASEAN nations that were able to show positive growth last quarter on the top 10 exporters of furniture to the U.S., only two were able to do so this quarter. #7 Cambodia and #9 Thailand managed to export 46.2% and 9.1% more furniture to us on a year-over-year basis.

Our top exporter Vietnam, exported 11.3% less furniture than a year ago but still represented 38.9% of all furniture imports to the U.S. China and Mexico represents 19.3% and 6.5%, respectively.

On a quarterly basis, China was able to export 21.0% more furniture than in the fourth quarter but again, almost half of what they exported a year ago. As we mentioned earlier, China's furniture manufacturing is in distress. The tariffs have taken a heavy toll and they have yet to find another consumer base to fill the void left by the U.S.

Our neighbors, Mexico and Canada are continuing to see double-digit declines in almost all categories. Total furniture exports to the U.S. dropped by 9.4% and 9.4%, respectively, on a quarterly basis. Mattresses from Canada, however, are still on the rise. exporting almost 54% more mattresses to the United States than it did last year and 8.3% more than last quarter.

Cambodia and Thailand were the only countries in the top 10 that showed positive gains this quarter over last year for the second time in a row.

All Household Furniture Imports by Significant Countries Table 1.

USD $ (millions)

Country	4Q24	1Q25	4Q25	1Q26	4Q%Δ	1Q%Δ
Vietnam	$2,887.7	$2,826.9	$2,540.4	$2,508.4	-12.0%	-11.3%
China	2,201.0	2,474.2	1,028.6	1,244.8	-53.3%	-49.7%
Mexico	642.2	619.9	460.7	417.5	-28.3%	-32.7%
Canada	500.2	476.4	369.2	334.8	-26.2%	-29.7%
Indonesia	388.5	386.1	298.9	311.6	-23.1%	-19.3%
Italy	312.8	306.2	298.2	263.7	-4.7%	-13.9%
Cambodia	170.5	174.3	195.8	254.8	14.9%	46.2%
Malaysia	317.0	318.3	254.5	226.2	-19.7%	-29.0%
Thailand	185.0	163.6	193.8	178.5	4.7%	9.1%
India	176.3	158.9	120.3	122.4	-31.8%	-22.9%

Wood Furniture Imports by Significant Countries Table 2.

USD $ (millions)

Country	4Q24	1Q25	4Q25	1Q26	4Q%Δ	1Q%Δ
Vietnam	$1,624.8	$1,532.3	$1,329.7	$1,155.9	-18.2%	-24.6%
China	408.2	411.5	215.4	259.3	-47.2%	-37.0%
Malaysia	265.3	264.1	210.7	181.3	-20.6%	-31.4%
Indonesia	198.7	201.4	158.6	166.6	-20.2%	-17.3%
Canada	233.5	222.3	190.1	164.6	-18.6%	-26.0%
Italy	178.1	171.9	163.6	154.6	-8.1%	-10.1%
Mexico	188.4	184.3	147.2	126.0	-21.8%	-31.6%
India	126.9	108.8	86.5	86.0	-31.9%	-21.0%
Thailand	81.7	71.7	75.2	55.8	-7.9%	-22.3%
Cambodia	45.3	42.4	57.5	48.1	26.8%	13.4%

Upholstered Furniture Imports by Significant Countries

Table 3.

USD $ (millions)

Country	4Q24	1Q25	4Q25	1Q26	4Q%∆	1Q%∆
Vietnam	$885.3	$866.8	$863.6	$849.9	-2.5%	-2.0%
China	699.0	671.6	317.9	335.7	-54.5%	-50.0%
Mexico	199.5	179.7	154.1	126.5	-22.8%	-29.6%
Cambodia	57.9	65.1	70.0	83.8	20.8%	28.7%
Italy	80.1	80.8	87.7	73.8	9.4%	-8.6%
Canada	63.3	65.5	42.5	38.0	-32.8%	-42.0%
Malaysia	37.2	42.8	29.4	26.3	-21.0%	-38.5%
Thailand	19.2	18.5	22.8	20.9	18.7%	12.8%
Indonesia	26.1	24.4	19.7	18.6	-24.2%	-23.9%

Metal & Other Furniture Imports by Significant Countries

Table 4.

USD $ (millions)

Country	4Q24	1Q25	4Q25	1Q26	4Q%∆	1Q%∆
China	$1,073.9	$1,377.7	$487.4	$647.9	-54.6%	-53.0%
Vietnam	361.2	416.0	335.4	488.5	-7.1%	17.4%
Mexico	227.2	237.6	141.7	151.4	-37.6%	-36.3%
Cambodia	64.2	64.1	67.3	121.6	4.8%	89.8%
Canada	194.6	176.7	119.9	114.0	-38.4%	-35.5%
Thailand	83.6	72.6	95.6	101.7	14.4%	40.0%
Taiwan	138.9	98.1	70.2	75.9	-49.4%	-22.6%
Indonesia	38.7	56.3	39.1	61.0	0.8%	8.3%
United Kingdom	48.4	41.9	54.1	53.0	11.7%	26.4%
Italy	54.4	53.4	46.7	35.2	-14.2%	-34.1%
India	40.8	41.8	28.6	31.8	-29.8%	-23.9%

Mattress Imports by Significant Countries

Table 5.

USD $ (millions)

Country	4Q24	1Q25	4Q25	1Q26	4Q%∆	1Q%∆
Indonesia	$125.0	$104.0	$81.5	$65.4	-34.8%	-37.1%
Canada	8.9	11.8	16.8	18.2	88.2%	53.6%
Vietnam	16.3	11.7	11.7	14.2	-28.3%	21.7%
Mexico	27.1	18.3	17.7	13.7	-34.9%	-25.2%
Poland	3.9	6.8	10.3	4.7	165.0%	-31.4%
Turkey	2.4	2.6	5.0	2.7	111.4%	3.9%
Colombia	1.4	1.5	0.8	2.0	-42.1%	38.8%
United Kingdom	1.8	2.2	2.0	2.0	11.7%	-7.3%
China	20.0	13.4	7.9	1.8	-60.5%	-86.5%
Morocco	0.5	0.5	2.6	1.5	468.9%	206.3%
Laos	29.9	20.4	2.3	1.4	-92.2%	-93.1%

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)	0.8%	1.3%	2.8%	1.1%	2.6%							
Furniture stores sales (b)	(3.9%)	(5.6%)	(0.5%)	(3.4%)	(3.3%)							
Furniture factory shipments (c)	(7.2%)	1.5%	2.0%	0.0%	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%	(4.2%)
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

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- **Industry Research and Insights** – Proprietary data, demographic analysis, and market trends

Investing in Furnishings Companies Today: Mergers and Acquistions

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.

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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.

For more information on our firm **www.maeltd.com**

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