

Buyers look at offerings as they walk through Lancer Furniture's showroom Tuesday at the High Point Furniture Market in High Point, N.C. CHUCK BURTON/AP

View from the sofa: Economy improving

Furniture industry reports some signs of recovery

By Emery P. Dalesio
Associated Press

HIGH POINT, N.C.—This year may be a turning point for the furniture industry, which took an especially hard hit during the recession.

That's the growing sentiment for 75,000 industry members who this week crowded into High Point for the world's largest furniture trade show. The past couple of months have seen a collection of government and private data pointing to what seems to be a brightening U.S. economy. Inflation is low. Homebuilder confidence is at its highest level in six years, and retail shoppers are spending more.

Most importantly for furniture sales, more Americans are buying homes that they'll look to furnish.

Buyers stocking furniture stores seemed more willing to place orders at the High Point Furniture Market that ended Thursday.

"The last four or five years, it was pretty doom and gloom. I'm seeing more optimistic people this time around," said Braden Richter, CEO of e-commerce retailer LuxeYard Inc. "I'm seeing a lot of fresh product."

For years, the moderately priced, made-in-America sofas and upholstered chairs turned out by Lancer Inc. battled bigger economic forces. The Sept. 11 terrorist attacks prompted buyers to hold back. During the good years, furniture manufacturing shifted to low-cost countries. Then, the housing bubble burst.

Now Lancer's sales are about 12 percent ahead of last year for products that include sofas averaging about $1,000, sales Vice President Peggy Thompson said.

Independent furniture stores are also doing better, according to Sageworks Inc., which compiles financial data on private companies. The furniture stores it tracks saw sales increase by about 3 percent in 2011 after several years of declines. In the past 12 months, those small businesses saw sales increase by more than 8 percent and profit margins rise by almost 3 percent.