

Furniture orders down, but inflation eases, report says

BY ENTERPRISE STAFF

HIGH POINT — A High Point accounting firm's final survey for 2022 of residential furniture manufacturers and distributors found a continued slowdown in new orders but an easing of inflationary pressures.

New orders in December 2022 were down 31% from the high numbers of December 2021 and down 33% for the year, following 14% and 15% increases reported in the prior two years, the latest Furniture Insights report from the Smith-Leonard firm said. That continues a pattern seen for much of this year.

"In recent conversations, business appears to continue to slow for most, and those that are not feeling the slowdown yet are not really that comfortable that incoming orders are

steady," the report said.

It said the good news is that shipments were up 3% over last December and up 5% for the year, even though 2021's shipments were up 20% over 2020. For the year, shipments were up for 94% of those surveyed.

Backlogged orders, which had grown during the 2020 and 2021 surges in new orders, were down 43% from last December.

The report also found that freight costs have come and some material costs have dropped, which will offer the companies better profit margins if they resist the urge to cut prices too much.

"Retailers, wholesalers and manufacturers should not give up the reasonable margins that they were able to obtain in the last couple of years," the report said.