



FURNITURE INSIGHTS®

Smith Leonard PLLC's Industry Newsletter

February 2026



HIGHLIGHTS – EXECUTIVE SUMMARY

New orders were down 11% compared to the prior month of November 2025, likely driven by holidays. However, new orders were up 1% in December 2025 compared to December 2024. Year to date through December, new orders ended the year flat with 2024 ignoring the impact of tariffs/inflation.

December 2025 shipments were flat with both November 2025 and December 2024. Year to date through December 2025, shipments ended the year down 1% compared to 2024.

December 2025 backlogs were down 2% compared to December 2024, and down 1% from November 2025.

Receivable levels were down 11% from November 2025, and also down 9% from December 2024.

Inventories were flat with November 2025 and again up 4% from December 2024.

Payrolls were down 3% compared to November 2025, but up 5% compared to December 2024.

Employee levels are again materially in line with recent months and the prior year.



*Mark Laferriere (left) with Patrick Willis,
Tax Partner*

EXECUTIVE SUMMARY, CONT.

National

Consumer Confidence

The Conference Board **Consumer Confidence Index**® increased by 2.2 points in February to 91.2 (1985=100), from an upwardly revised 89.0 in January.

The **Present Situation Index**—based on consumers' assessment of current business and labor market conditions— decreased by 1.8 points to 120.0 in February.

The **Expectations Index**—based on consumers' short-term outlook for income, business, and labor market conditions— rose by 4.8 points to 72.0.

"Confidence ticked up in February after falling in January, as consumers' pessimistic expectations for the future eased somewhat," said Dana M Peterson, Chief Economist, The Conference Board. "Four of five components of the Index firmed. Nonetheless, the measure remained well below the four-year peak achieved in November 2024 (112.8)."

Peterson added: "Consumers' write-in responses on factors affecting the economy continued to skew towards pessimism. Comments about prices, inflation, and the cost of goods remained at the top of consumer's minds. Mentions of trade and politics also increased in February. Labor market mentions eased a bit in February, while observations about immigration increased somewhat."

Consumers' plans to buy big-ticket items over the next six months rose in February. Those who said "yes" and "maybe" to buying big-ticket items ahead increased, while the number of those saying "no" declined. Used cars, furniture, TVs, and smartphones remained the most popular items within their categories for future purchases.

Housing

Existing-home sales decreased by 8.4% in January, according to the National Association of REALTORS® Existing-Home Sales Report. The Report provides the real estate ecosystem – including agents and homebuyers and sellers – with data on the level of home sales, price, and inventory.

Month-over-month and year-over-year sales fell in all regions.

"The decrease in sales is disappointing. The below-normal temperatures and above-normal precipitation this January make it harder than usual to assess the underlying driver of the decrease and determine if this month's numbers are an aberration," said NAR Chief Economist Dr. Lawrence Yun. "Affordability conditions are improving, with NAR's Housing Affordability Index showing that housing is the most affordable it's been since March 2022. This is due to wage gains outpacing home price growth and mortgage rates being lower than a year ago. However, supply has not kept pace and remains quite low."

EXECUTIVE SUMMARY, CONT.

Thoughts

A lot to cover this month. First off, we officially wrap up 2025 with year-to-date new orders flat and shipments down 1% compared to 2024 for the participants in our survey (ignoring impact of tariffs/inflation), which is materially in line with other industry reporting and economic data. Certainly not what people were hoping for coming into 2025, but perhaps a relative win in light of the challenges presented by the year's disruptions.

This month we saw the Supreme Court strike down the tariffs imposed under the International Emergency Economic Powers Act, though they were quickly replaced with temporary tariffs of 10% (or 15%) that are generally lower than those imposed under IEEPA or otherwise negotiated, particularly for Asian countries. Certainly a lot still be determined on how these tariffs are unwound, potentially refunded and to who, what will ultimately replace them, then not to mention the operational burden on those within the industry who will get to once again deal with potentially resetting their cost and pricing structures ahead of the April Market.

While the situation in Iran presents real-life human consequences, history has shown the impact of such conflicts on the stock market or consumer confidence to be generally short-lived. The more immediate concern to the economy and the industry would seem to be the impact of oil prices on container costs and discretionary income that drive consumer spending.

On a brighter note, there is some good news coming out of housing with the affordability index improving across all regions, which coupled with the continued decline in interest rates could drive the increased activity within the industry for 2026 we've been looking for.

EXECUTIVE SUMMARY, CONT.

National, Cont.

Housing, Cont.

Total Existing-Home Sales for January

- 8.4% decrease in existing-home sales month-over-month to a seasonally adjusted annual rate of 3.91 million.
- 4.4% decrease in sales year over year.

Single-Family-Homes Sales in January

- 9.0% decrease in sales month over month to a seasonally adjusted annual rate of 3.53 million, down 4.3% from January 2025.
- \$400,300: Median home price, up 0.6% from last year.

Condominiums and Co-ops Sales in January

- 2.6% decrease in sales month over month and year over year to a seasonally adjusted annual rate of 380,000, down 5.0% from last year.
- \$364,600: Median price, up 3.8% from January 2025.

Mortgage Rates

- 6.10%: The average 30-year fixed-rate mortgage in January, according to Freddie Mac, down from 6.19% in December and 6.96% one year ago.

Sales of new single-family houses in December 2025 were at a seasonally-adjusted annual rate of 745,000, according to estimates released jointly by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 1.7 percent below the November 2025 rate of 758,000, and is 3.8 percent above the December 2024 rate of 718,000.

Compared to December 2024 on a seasonally-adjusted basis, sales were up 3.8% overall with sales also up 30.1% in the Midwest, up 12.1% in the Northeast, up 1.8% in the West, but down 1.1% in the South.

Other

Real gross domestic product (GDP) increased at an annual rate of 1.4 percent in the fourth quarter of 2025 (October, November, and December), according to the advance estimate released by the U.S. Bureau of Economic Analysis. In the third quarter, real GDP increased 4.4 percent.

The contributors to the increase in real GDP in the fourth quarter were increases in consumer spending and investment. These movements were partly offset by decreases in government spending and exports. Imports, which are a subtraction in the calculation of GDP, decreased.

Compared to the third quarter, the deceleration in real GDP in the fourth quarter reflected downturns in government spending and exports and a deceleration in consumer spending that were partly offset by an acceleration in investment. The decrease in imports was smaller than in the prior quarter. The price index for gross domestic purchases increased 3.4 percent in the third quarter, the same as previously estimated. The personal consumption expenditures (PCE) price index increased 2.8 percent, and the PCE price index excluding food and energy increased 2.9 percent, both the same as previously estimated.

GDP for 2025

Real GDP increased 2.2 percent in 2025 (from the 2024 annual level to the 2025 annual level), compared with an increase of 2.8 percent in 2024.

The price index for gross domestic purchases increased 2.6 percent in 2025, compared with an increase of 2.4 percent in 2024.

HIGHLIGHTS – MONTHLY RESULTS

New Orders

According to our latest survey of residential furniture manufacturers and distributors, new orders were up 1% in December 2025 compared to December 2024. Approximately one-half of participants reported increases versus decreases in December compared to a year ago.

However, new orders were down 11% compared to the prior month of November 2025, some of which is likely tied to the holidays as we saw a similar 15% month-over-month drop last year.

Year to date through December 2025, new orders pulled even with 2024 ignoring the impact of tariffs/inflation.

Shipments and Backlogs

December 2025 shipments were flat compared to December 2024, and also even compared to November 2025. Shipments in December 2025 were up for approximately one-half of the participants compared to December 2024. Year to date through December, shipments ended the year down 1% compared to 2024.

December 2025 backlogs were down 2% compared to December 2024, and down 1% from November 2025 as shipments outpaced new orders.

Receivables and Inventories

Receivable levels were down 11% from November 2025, and down 9% from December 2024.

Inventories were flat with November 2025, and up 4% from December 2024.

Factory and Warehouse Employees and Payroll

The number of factory and warehouse employees were down 3% from December a year ago (same as last month), but again even with the prior month.

Payroll expense was down 3% in December 2025 compared to November 2025, but up 5% compared to December 2024. Year to date through December 2025, payroll expense was again up 2%.

ESTIMATED BUSINESS ACTIVITY (MILLIONS)

	2025		
	DEC	NOV	12 MOS
New Orders	2,034	2,351	25,992
Shipments	2,056	2,057	26,163
Backlog	2,378	2,464	
	2024		
	DEC	NOV	12 MOS
New Orders	2,004	2,399	26,182
Shipments	2,056	2,177	26,393
Backlog	2,402	2,489	

MONTHLY RESULTS – FEBRUARY 2025

KEY MONTHLY INDICATORS (PERCENT CHANGE)

	Dec 2025 from Nov 2025	Dec 2025 from Dec 2024	12 Mos 2025 vs 12 Mos 2024
New Orders	-11	+1	-
Shipments	-	-	-1
Backlog	-1	-2	
Payrolls	-3	+5	+2
Employees	-	-3	
Receivables	-11	-9	
Inventories	-	+4	

PERCENT INCREASE/DECREASE COMPARED TO PRIOR YEAR

New Orders Shipments Backlog Employment

2024

December	+1	-2	-8	-5
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2025

January	-3	+4	-5	-3
February	-5	-5	-6	-3
March	+1	+1	-6	-4
April	-9	-2	-10	-4
May	-1	-2	-10	-4
June	+3	-4	-8	-4
July	+13	+3	-4	-3
August	-3	-6	-	-3
September	+7	+6	+2	-2
October	-1	+4	-2	-2
November	-2	-6	-1	-3
December	+1	-	-2	-3

A DEEPER DIVE – NATIONAL

Consumer Confidence

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The **Expectations Index**—based on consumers' short-term outlook for income, business, and labor market conditions— rose by 4.8 points to 72.0.

"Confidence ticked up in February after falling in January, as consumers' pessimistic expectations for the future eased somewhat," said Dana M Peterson, Chief Economist, The Conference Board. "Four of five components of the Index firmed. Nonetheless, the measure remained well below the four-year peak achieved in November 2024 (112.8)."

The Present Situation Index continued to decline, as net views on current business conditions fell to +0.7%. Perceptions of employment conditions improved slightly, with the labor market differential—the share of consumers saying jobs are "plentiful" minus the share saying jobs are "hard to get"—rising 0.6 ppts to +7.4%. All three Expectations Index components advanced slightly in February: expectations for business and labor market conditions six months from now were less negative, while expectations for incomes were more positive.

Among demographic groups, confidence on a six-month moving average basis ticked upward in February for consumers under age 35, which continued to be the most optimistic group. Confidence edged down for respondents 35 and older. Relatedly, on a six-month moving average basis, confidence among Generation Z rose, consistent with soundings from the under-age 35 group, but fell among other generations. By income, confidence on a six-month moving average basis continued to dip for most brackets. Consumer confidence by political affiliation revived among Republican and Independent voters in February after a dip in January, while Democrats were less optimistic.

Peterson added: "Consumers' write-in responses on factors affecting the economy continued to skew towards pessimism. Comments about prices, inflation, and the cost of goods remained at the top of consumer's minds. Mentions of trade and politics also increased in February. Labor market mentions eased a bit in February, while observations about immigration increased somewhat."

Consumers' average and median 12-month inflation expectations were little changed but remained elevated. Consumers also believed that interest rates will persist at higher levels over the next 12 months. Most consumers in February continued to expect stock prices to be higher twelve months from now, although the share was slightly smaller than last month.

NATIONAL UPDATE

Leading Economic Indicators

The **Conference Board Leading Economic Index® (LEI)** for the US declined by 0.2% in December 2025 to 97.6 (2016=100), following a 0.3% decline in November and a downwardly revised 0.2% decline in October. Overall, the LEI fell by 1.2% over the second half of 2025, a substantial improvement from its 2.8% contraction over the first half of 2025.

"The US LEI registered its fifth consecutive monthly decline in December, indicating continued softness in the economy in early 2026," said Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board. "Alongside a rise in building permits, positive contributions to the LEI in December were led by the index's financial components, with the yield spread notably turning positive in both November and December.

"However, persistently weak consumer expectations indicators and the ISM® New Orders Index made the largest negative contributions to the LEI in December. Labor market data also weighed on the Index, with an increase in unemployment claims and a decline in average weekly hours in manufacturing. Overall, the LEI signals weaker economic activity at the start of this year. The Conference Board projects a slowdown in growth in Q4 2025 and early 2026, with GDP set to expand by 2.1% YOY in 2026, from a forecasted 2.2% in 2025."

The **Conference Board Coincident Economic Index® (CEI)** for the US rose by 0.2% in December 2025 to 115.0 (2016=100), after a downwardly revised increase of 0.1% in November. Overall, the CEI expanded by 0.3% over the second half of 2025, slightly down from its 0.4% increase over the first half of last year. The CEI's four component indicators— payroll employment, personal income less transfer payments, manufacturing and trade sales, and industrial production—are included among the data used to determine recessions in the US. Nearly all improved in December, but personal income less transfer payments and manufacturing and trade sales were estimated for the month.

The **Conference Board Lagging Economic Index® (LAG)** for the US inched down by 0.1% to 119.6 (2016=100) in December 2025, reversing a 0.1% increase in November. The LAG was unchanged in H2 2025, significantly down from the 1.2% increase over the previous six months (H1 2025).

A DEEPER DIVE – NATIONAL, CONT.

Consumer Confidence, Cont.

On net, consumers' views of their Family's Current Financial Situation retreated in February, after an unexpected surge in January, based on final data. Expectations for their Family's Future Financial Situation continued to be less optimistic. Meanwhile, the share of consumers who said a US recession over the next 12 months is "very likely" fell, while those saying "not likely" rose. Respondents who said recession is "somewhat likely" over the next year increased somewhat, and the percent believing we are "already in one" dipped.

Consumers' plans to buy big-ticket items over the next six months rose in February. Those who said "yes" and "maybe" to buying big-ticket items ahead increased, while the number of those saying "no" declined. Used cars, furniture, TVs, and smartphones remained the most popular items within their categories for future purchases.

Buying plans for autos rose on a six-month moving average basis, continuing its uptrend in recent months. Consumers continued to prefer buying used cars. The share of consumers planning to buy a new car was unchanged. Homebuying expectations were little changed in February but continued to retreat on a six-month basis. Still, the share was above levels one year ago.

Plans to purchase furniture, TVs, dishwashers, and ranges on a six-month moving average basis ticked up, while buying plans for refrigerators and washing machines edged down. Plans to buy electronics were little changed in February, except for smartphones, which continued to trend upward on a six-month moving average basis.

Consumers' planned spending on services over the next six months softened somewhat in February but remained healthy. The share who said "yes" fell, while those who said "maybe" and "no" increased. Consumer spending trends in 2026 remain focused on cheap thrills and necessary services, and away from expensive and highly discretionary activities.

Among services categories, anticipated spending over the next six months on utilities, pet care, and gambling/lotto services increased, but most other categories dipped or were unchanged. Restaurants, bars, and take-out remained the top category for expected spending ahead and edged 0.1% higher in February. While streaming, internet, mobile services; beauty and personal care; and hotel/motel for personal travel remained among the top five categories, intentions for each of them eased. Overall vacation plans over the next six months dipped in February, with small declines in both domestic and international travel. Expected spending on airfare, trains for personal travel was unchanged.

Present Situation

Consumers' assessments of **current business conditions** deteriorated on net in February.

- 19.7% of consumers said business conditions were "good," a small uptick from 19.6% in January.
- 19.0% said business conditions were "bad," up slightly from 17.3%.

Consumers' views of the **labor market** improved slightly in February.

- 28.0% of consumers said jobs were "plentiful," down from 25.8% in January.
- 20.6% of consumers said jobs were "hard to get," up from 19.0%.

Expectations Six Months Hence

Consumers were less pessimistic about future **business conditions** in February.

- 17.6% of consumers expected business conditions to improve, up from 16.5% in January.
- 21.0% expected business conditions to worsen, down from 23.7%.

Consumers were also less negative about the **labor market** outlook in February.

- 15.7% of consumers expected more jobs to be available, up from 14.8% in January.
- 26.1% anticipated fewer jobs, down from 28.7%.

Consumers' outlook for their **income prospects** was slightly more optimistic in February.

- 17.3% of consumers expected their incomes to increase, up slightly from 17.2% in January.
- 12.3% expected their incomes to decline, down from 12.7%.

A DEEPER DIVE – NATIONAL, CONT.

Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 1.4 percent in the fourth quarter of 2025 (October, November, and December), according to the advance estimate released by the U.S. Bureau of Economic Analysis. In the third quarter, real GDP increased 4.4 percent.

The contributors to the increase in real GDP in the fourth quarter were increases in consumer spending and investment. These movements were partly offset by decreases in government spending and exports. Imports, which are a subtraction in the calculation of GDP, decreased.

Compared to the third quarter, the deceleration in real GDP in the fourth quarter reflected downturns in government spending and exports and a deceleration in consumer spending that were partly offset by an acceleration in investment. The decrease in imports was smaller than in the prior quarter.

Real final sales to private domestic purchasers, the sum of consumer spending and gross private fixed investment, increased 2.4 percent in the fourth quarter, compared with an increase of 2.9 percent in the third quarter.

The price index for gross domestic purchases increased 3.7 percent in the fourth quarter, compared with an increase of 3.4 percent in the third quarter. The personal consumption expenditures (PCE) price index increased 2.9 percent, compared with an increase of 2.8 percent. Excluding food and energy prices, the PCE price index increased 2.7 percent, compared with an increase of 2.9 percent.

GDP for 2025

Real GDP increased 2.2 percent in 2025 (from the 2024 annual level to the 2025 annual level), compared with an increase of 2.8 percent in 2024. The increase in real GDP in 2025 primarily reflected increases in consumer spending and investment.

The price index for gross domestic purchases increased 2.6 percent in 2025, compared with an increase of 2.4 percent in 2024. The PCE price index increased 2.6 percent, the same increase as in 2024. Excluding food and energy prices, the PCE price index increased 2.8 percent, compared with an increase of 2.9 percent.

A DEEPER DIVE – HOUSING

Existing-Home Sales

Existing-home sales decreased by 8.4% in January, according to the National Association of REALTORS® Existing-Home Sales Report. The report provides the real estate ecosystem—including agents, homebuyers and sellers—with data on the level of home sales, price, and inventory.

Month-over-month and year-over-year sales fell in all regions.

"The decrease in sales is disappointing. The below-normal temperatures and above-normal precipitation this January make it harder than usual to assess the underlying driver of the decrease and determine if this month's numbers are an aberration," said NAR Chief Economist Dr. Lawrence Yun. "Affordability conditions are improving, with NAR's Housing Affordability Index showing that housing is the most affordable it's been since March 2022. This is due to wage gains outpacing home price growth and mortgage rates being lower than a year ago. However, supply has not kept pace and remains quite low."

"Due to low supply, the median home price reached a new high for the month of January," Yun added. "Homeowners are in a financially comfortable position as a result. Since January 2020, a typical homeowner would have accumulated \$130,500 in housing wealth."

Affordability improved for the seventh consecutive month, according to NAR's Housing Affordability Index—increasing to 116.5 in January from 111.6 in December and 102 a year ago.



A DEEPER DIVE – HOUSING, CONT.

National Snapshot

Total Existing-Home Sales for January

- 8.4% decrease in existing-home sales month over month to a seasonally adjusted annual rate of 3.91 million.
- 4.4% decrease in sales year over year.

Inventory in January

- 1.22 million units: Total housing inventory, down 0.8% from December and up 3.4% from January 2025 (1.18 million).
- 3.7-month supply of unsold inventory, up from 3.5 months in December and one year ago.

Median Sales Price in January

- \$396,800: Median existing-home price for all housing types, up 0.9% from one year ago (\$393,400) – the 31st consecutive month of year-over-year price increases.

Housing Affordability in January

- The Housing Affordability Index rose to 116.5 in January, up from 111.6 in December 2025 (and 102.0 a year ago).
- Affordability improved across all regions.
 - Northeast +9%
 - Midwest +12.2%
 - South +15.2%
 - West +17.1%

Single-Family-Homes Sales in January

- 9.0% increase in sales month over month to a seasonally adjusted annual rate of 3.53 million, down 4.3% from January 2025.
- \$400,300: Median home price, up 0.6% from last year.

Condominiums and Co-ops Sales in January

- 2.6% decrease in sales month over month and year over year to a seasonally adjusted annual rate of 380,000, down 5.0% from last year.
- \$364,600: Median price, up 3.8% from January 2025.

Regional Snapshot for Existing-Home Sales in January

Northeast

- 5.9% decrease in sales month over month to an annual rate of 480,000, down 4.0% year over year.
- \$505,400: Median price, up 5.8% from January 2025.

Midwest

- 7.1% decrease in sales month over month to an annual rate of 920,000, down 7.1% year over year.
- \$295,400: Median price, up 2.3% from January 2025.

South

- 9.0% decrease in sales month over month to an annual rate of 1.81 million, down 1.6% year over year.
- \$351,200: Median price, up 0.1% from January 2025.

West

- 10.3% decrease in sales month over month for an annual rate of 700,000, down 7.9% year over year.
- \$600,400: Median price, down 1.4% from January 2025.

REALTORS® Confidence Index for January

- 46 days: Median time on market for properties, up from 39 days last month and 41 days in January 2025.
- 31% of sales were first-time homebuyers, up from 29% in December and 28% one year ago.
- 27% of transactions were cash sales, down from 28% a month ago and 29% in January 2025.
- 16% of transactions were individual investors or second-home buyers, down from 18% last month and 17% one year ago.
- 2% of sales were distressed sales (foreclosures and short sales), unchanged from December and down from 3% in January 2025.

Mortgage Rates

- 6.10%: The average 30-year fixed-rate mortgage in January, according to Freddie Mac, down from 6.19% in December and 6.96% one year ago.

A DEEPER DIVE – HOUSING, CONT.

New Residential Sales

Sales of new single-family houses in December 2025 were at a seasonally-adjusted annual rate of 745,000, according to estimates released jointly by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 1.7 percent below the November 2025 rate of 758,000, and is 3.8 percent above the December 2024 rate of 718,000.

Sales of new single-family houses in November 2025 were at a seasonally-adjusted annual rate of 758,000. This is 15.5 percent above the revised October 2025 rate of 656,000.

An estimated 679,000 new homes were sold in 2025. This is 1.1 percent below the 2024 figure of 686,000.

The median sales price of new houses sold in December 2025 was \$414,400. This is 4.2 percent above the November 2025 price of \$397,600, and is 2.0 percent below the December 2024 price of \$423,000. The average sales price of new houses sold in December 2025 was \$532,600. This is 0.5 percent above the November 2025 price of \$530,200, and is 4.7 percent above the December 2024 price of \$508,900.

The seasonally-adjusted estimate of new houses for sale at the end of December 2025 was 472,000. This is 2.7 percent below the November 2025 estimate of 485,000, and is 3.5 percent below the December 2024 estimate of 489,000.

This represents a supply of 7.6 months at the current sales rate. The months' supply is 1.3 percent below the November 2025 estimate of 7.7 months, and is 7.3 percent below the December 2024 estimate of 8.2 months.

Compared to December 2024 on a seasonally-adjusted basis, sales were up 3.8% overall with sales also up 30.1% in the Midwest, up 12.1% in the Northeast, up 1.8% in the West, but down 1.1% in the South.

Housing Starts

Privately-owned housing starts in December were at a seasonally adjusted annual rate of 1,404,000. This is 6.2 percent above the revised November estimate of 1,322,000, but is 7.3 percent below the December 2024 rate of 1,514,000.

Single-family housing starts in December were at a rate of 981,000; this is 4.1 percent above the revised November figure of 942,000.

The December rate for units in buildings with five units or more was 402,000.

An estimated 1,358,700 housing units were started in 2025. This is 0.6 percent below the 2024 figure of 1,367,100.

Single-family starts compared to December 2024, on a seasonally-adjusted basis, were down 9.0% in total, as well as down 8.6% in the South, down 19.0% in the Midwest, down 9.4% in the West, but up 12.7% in the Northeast.

Housing Completions

Privately-owned housing completions in December were at a seasonally adjusted annual rate of 1,525,000. This is 2.3 percent above the revised November estimate of 1,490,000 but is 0.1 percent below the December 2024 rate of 1,527,000.

Single-family housing completions in December were at a rate of 1,023,000; this is 0.1 percent below the revised November rate of 1,024,000.

The December rate for units in buildings with five units or more was 483,000.

An estimated 1,497,800 housing units were completed in 2025. This is 7.9 percent below the 2024 figure of 1,626,900.

Single-family completions compared to December 2024, on a seasonally-adjusted basis, were up 10.2% in total, as well as up 18.3% in the South, up 19.3% in the Midwest, but down 30.3% in the Northeast, and down 1.0% in the West.

A DEEPER DIVE – OTHER NATIONAL

Retail Sales

Advance estimates of U.S. retail and food services sales for December 2025, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$735.0 billion, virtually unchanged from the previous month, and up 2.4 percent from December 2024. Total sales for the 12 months of 2025 were up 3.7 percent from 2024. Total sales for the October 2025 through December 2025 period were up 3.0 percent from the same period a year ago. The October 2025 to November 2025 percent change was unrevised from up 0.6.

Retail trade sales were virtually unchanged from November 2025, and up 2.1 percent from last year. Non store retailers were up 5.3 percent from last year, while food service and drinking places were up 4.7 percent from December 2024.

Sales at furniture and home furnishings stores in December 2025 were down 0.9% compared to November 2025 on a seasonally-adjusted basis, and down 5.6% from December 2024. Year to date on a non-adjusted basis, sales were up 2.3% (3.0% last month).

A DEEPER DIVE – OTHER NATIONAL, CONT.

Consumer Prices

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent on a seasonally adjusted basis in January, the U.S. Bureau of Labor Statistics reported. Over the last 12 months, the all-items index increased 2.4 percent before seasonal adjustment.

The index for shelter rose 0.2 percent in January and was the largest factor in the all-items monthly increase. The food index increased 0.2 percent over the month as did the food at home index, while the food away from home index rose 0.1 percent. These increases were partially offset by the index for energy, which fell 1.5 percent in January.

The index for all-items less food and energy rose 0.3 percent in January. Indexes that increased over the month include airline fares, personal care, recreation, medical care, and communication. The indexes for used cars and trucks, household furnishings and operations, and motor vehicle insurance were among the major indexes that decreased in January.

The all-items index rose 2.4 percent for the 12 months ending January, after rising 2.7 percent for the 12 months ending December. The all-items less food and energy index rose 2.5 percent over the last 12 months. The energy index decreased 0.1 percent for the 12 months ending January. The food index increased 2.9 percent over the last year.

Employment

Both the unemployment rate, at 4.3 percent, and the number of unemployed people, at 7.4 million, changed little in January. These measures are higher than a year earlier, when the jobless rate was 4.0 percent, and the number of unemployed people was 6.9 million.

Durable Goods Orders and Factory Shipments

New orders for manufactured durable goods in December, down two of the last three months, decreased \$4.6 billion or 1.4 percent to \$319.6 billion, the U.S. Census Bureau announced. This followed a 5.4 percent November increase. Excluding transportation, new orders increased 0.9 percent. Excluding defense, new orders decreased 2.5 percent. Transportation equipment, also down two of the last three months, drove the decrease, \$6.4 billion or 5.3 percent to \$113.5 billion.

On a seasonally-adjusted basis, December shipments for furniture and related products were down 0.3% compared to the prior month, while new orders were up 0.1%. On a non-adjusted basis, December 2025 year to date shipments for furniture and related products were up 1.5% compared to the prior year (1.0% last month), while year to date new orders were up 1.5% (up 1.1% last month).