



FURNITURE INSIGHTS®

Smith Leonard PLLC's Industry Newsletter

March 2026



HIGHLIGHTS – EXECUTIVE SUMMARY

New orders were up 1% compared to the prior month of December 2025 and flat compared to January 2025.

January 2026 shipments were flat compared to December 2025 and down 7% from January 2025.

January 2026 backlogs were flat compared to both January 2025 and December 2025.

Receivable levels were up 15% from December 2025, and were up a more modest 1% compared to January 2025.

Inventories were up 7% with December 2025 and up 9% from January 2025.

Payrolls were up 8% compared to December 2025, but down 2% compared to January 2025.

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



EXECUTIVE SUMMARY, CONT.

National

Consumer Confidence

The Conference Board **Consumer Confidence Index**® edged up by 0.8 points in March to 91.8 (1985=100), from 91.0 in February.

The **Present Situation Index**—based on consumers' assessment of current business and labor market conditions—increased by 4.6 points to 123.3.

The **Expectations Index**—based on consumers' short-term outlook for income, business, and labor market conditions—declined by 1.7 points to 70.9. While not obvious in the headline or its component indexes, the weight of rising costs due to tariff passthrough and spiking oil prices was evident among other measures in the survey like inflation expectations.

“Consumer confidence ticked up again in March, as a modest improvement in consumers' views of current conditions outweighed a slight downshift in expectations for the future,” said Dana M Peterson, Chief Economist, The Conference Board. “Three of five components of the Index firmed in March, and overall confidence improved modestly for a second month. Nonetheless, the Index has been on a general downward trend since 2021.”

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.”

Unsurprisingly given the Iran war oil shock, consumers' average and median 12-month inflation expectations surged in March to levels last seen in August 2025, when US consumers awaited more tariff announcements from the US federal government. Consequently, the percentage of consumers stating that interest rates over the next 12 months will be higher on net skyrocketed from 34.9% to 42.4%. Expectations for higher stock prices a year from now plunged.

Consumers' plans to buy big-ticket items over the next six months shifted from “yes” and “maybe” in February, to “no” in March. Nonetheless, the proportion saying “yes” remained well above the other responses. Used cars, furniture, TVs, and smartphones remained the most popular items within their respective categories for future purchases. Among all expensive items, furniture persists as the top expected purchase.

Homebuying expectations were somewhat lower on a six-month rolling basis for both existing and new units in the month, with consumers continuing to prefer existing homes to newly built ones. Purchase plans for all types of home furnishings, white goods, and electronics on a six-month moving average basis improved in March.

Housing

Existing-home sales increased by 1.7% month-over-month in February, 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 sales rose in the Midwest, South and West, and fell in the Northeast. Year-over-year sales rose in the South and fell in the Northeast, Midwest and West. Affordability improved for the eighth consecutive month, according to NAR's Housing Affordability Index—increasing to 117.6 in February from 117.1 in January and 103.1 a year ago. This marks the highest level since March 2022.

“Housing affordability is improving, and consumers are responding,” said NAR Chief Economist Dr. Lawrence Yun. “Still, there is a long way to go to return to pre-pandemic levels of transaction activity. There are more than 6 million more jobs than in 2019, yet home sales per year are down by one million.”

EXECUTIVE SUMMARY, CONT.

Thoughts

Overall, January 2026 didn't provide the sort of hot start we were hoping for from our survey participants as a whole. Hampered by weather and other challenges to start the year, new orders were flat and shipments were down 7% compared to 2025, respectively.

Back to the present, the impact of geopolitical events continues to develop with increases in transportation and foam costs (and decreases in availability) the most immediate and obvious concerns. While somewhat a new twist on an old problem, this feels different due to its global reach.

The tariff situation also continues to evolve, as following last month's Supreme Court elimination of the IEEPA tariffs, the Administration appears to be setting the groundwork for a more permanent and legally defensible system. However, the resulting uncertainty will continue for the foreseeable future proving both challenges and opportunities.

Despite the uncertainty, there are still some positive trends as consumer confidence and other similar indicators have thus far remained stable. Housing affordability also continues to improve, though the hopes of additional interest rate cuts seem unlikely in the near-term due to inflation concerns. In fact, some within the Fed are now signaling the possibility of a rate hike.

So, it seems 2026 could be shaping up to be another bumpy ride.

On a lighter note, we look forward to welcoming many of you in High Point in a few weeks for some beautiful North Carolina Spring weather.

EXECUTIVE SUMMARY, CONT.

National, Cont.

Housing, Cont.

Total Existing-Home Sales for February

- 1.7% increase in existing-home sales month-over-month to a seasonally adjusted annual rate of 4.09 million.
- 1.4% decrease in sales year over year.

Single-Family-Homes Sales in February

- 2.4% increase in sales month over month to a seasonally adjusted annual rate of 3.73 million, down 1.1% from February 2025.
- \$401,800: Median home price, up 0.2% from last year.

Condominiums and Co-ops Sales in February

- 5.3% decrease in sales month over month and year over year to a seasonally adjusted annual rate of 360,000, down 5.3% from last year.
- \$358,100: Median price, up 0.9% from February 2025.

Mortgage Rates

- 6.05%: The average 30-year fixed-rate mortgage in February, according to Freddie Mac, down from 6.10% in January and 6.84% one year ago.

Sales of new single-family houses in January 2026 were at a seasonally-adjusted annual rate of 587,000, according to estimates released jointly by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 17.6 percent below the December 2025 rate of 712,000, and is 11.3 percent below the January 2025 rate of 662,000.

Compared to January 2025 on a seasonally-adjusted basis, sales were down 11.3% overall with sales also down 8.8% in the South and down 28.7% in the West, but up 18.0% in the Midwest and flat (0.0%) in the Northeast.

Other

Real gross domestic product (GDP) increased at an annual rate of 0.7 percent in the fourth quarter of 2025 (October, November, and December), according to the second 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. Real GDP was revised down 0.7 percentage point from the advance estimate, reflecting downward revisions to exports, consumer spending, government spending, and investment. Imports decreased less than previously estimated. 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 previous quarter.

GDP for 2025

Real GDP increased 2.1 percent in 2025 (from the 2024 annual level to the 2025 annual level), revised down 0.1 percentage point from the previous estimate. 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, the same as previously estimated. The PCE price index also increased 2.6 percent, and the PCE price index excluding food and energy increased 2.8 percent, both the same as previously estimated.

HIGHLIGHTS – MONTHLY RESULTS

New Orders

According to our latest survey of residential furniture manufacturers and distributors, new orders were flat in January 2026 compared to January 2025. Approximately one-half of participants reported increases versus decreases in January compared to a year ago.

However, new orders ticked up 1% compared to the prior month of December 2025.

Shipments and Backlogs

January 2026 shipments were down 7% compared to January 2025, which may have been impacted by limitations and closings imposed by the weather. Shipments in January were down for approximately two-thirds of the participants compared to the prior year.

Shipments were flat with December 2025, which again may be impacted by the weather given you'd expect a bump after the December holiday break and the fact they were up 8% in January 2025 over December 2025.

January 2026 backlogs were flat compared to both January 2025 and December 2025.

Receivables and Inventories

In what seems like an anomaly this month, receivable levels were up 15% from December 2025, but up a more reasonable 1% from January 2025.

Coming out of the holiday break, inventories were up 7% over December 2025, and also up 9% from January 2025 continuing a trend from recent months (had been up 4% over prior year the last three months).

Factory and Warehouse Employees and Payroll

The number of factory and warehouse employees were down 4% from January a year ago, but again even with the prior month, continuing last year's trend.

Payroll expense was up 8% in January 2026 compared to December 2025, but down 2% compared to January 2025, both of which seem reasonable given the impact of the holidays and weather, respectively.

ESTIMATED BUSINESS ACTIVITY (MILLIONS)

	2025/2026		
	JAN	DEC	1 MO
New Orders	2,052	2,034	2,052
Shipments	2,066	2,056	2,066
Backlog	2,347	2,378	
	2024/2025		
	JAN	DEC	1 MO
New Orders	2,050	2,004	2,050
Shipments	2,227	2,056	2,227
Backlog	2,324	2,402	

MONTHLY RESULTS – MARCH 2026

KEY MONTHLY INDICATORS (PERCENT CHANGE)

	Jan 2026 from Dec 2025	Jan 2026 from Jan 2025	1 Mo 2026 vs 1 Mo 2025
New Orders	+1	-	-
Shipments	-	-7	-7
Backlog	-	-	
Payrolls	+8	-2	-2
Employees	-	-4	
Receivables	+15	+1	
Inventories	+7	+9	

PERCENT INCREASE/DECREASE COMPARED TO PRIOR YEAR

New Orders Shipments Backlog Employment

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

2026

January	-	-7	-	-4
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A DEEPER DIVE – NATIONAL

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The **Present Situation Index**—based on consumers' assessment of current business and labor market conditions—increased by 4.6 points to 123.3.

The **Expectations Index**—based on consumers' short-term outlook for income, business, and labor market conditions—declined by 1.7 points to 70.9. While not obvious in the headline or its component indexes, the weight of rising costs due to tariff passthrough and spiking oil prices was evident among other measures in the survey like inflation expectations.

“Consumer confidence ticked up again in March, as a modest improvement in consumers' views of current conditions outweighed a slight downshift in expectations for the future,” said Dana M Peterson, Chief Economist, The Conference Board. “Three of five components of the Index firmed in March, and overall confidence improved modestly for a second month. Nonetheless, the Index has been on a general downward trend since 2021.”

The **Present Situation Index** rose again in March, as net views of current business conditions rose to +5.6% after hovering around 1-2% for three months. 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”—ticking up by 0.1 ppt to +5.8%. The **Expectations Index** dipped as two of three components—net perceptions of labor market and household income conditions six months from now—edged downward. However, expected business conditions were slightly less pessimistic in March.

Among demographic groups, confidence on a six-month moving average basis continued to moderate in March for consumers under age 35 and 55 and over, and virtually unchanged after a multi-month decline for those aged 35 to 54. Respondents under 35 remain the most optimistic and those 55 and over the least. On a six-month moving average basis, Generation Z remained the most confident among all generations, but their optimism slipped in March along with the Silent Generation, Baby Boomers, and Generation X. Only Millennials cited improved confidence in the month. By income, confidence on a six-month moving average basis continued to dip in six of eight income groups. Only consumers earning \$25,000-34,999 and \$125,000 and over were somewhat more optimistic. Consumer confidence by political affiliation was little changed. Republicans remained the most optimistic, while confidence was substantially lower among Independents and the lowest among Democrats.

Peterson added: “Consumers' write-in responses on factors affecting the economy continued to skew towards pessimism. Comments about prices and the cost of goods suggest that the cost of living remained at the top of consumers' minds. As the war in Iran overlapped significantly with the survey sample period, comments about oil/gas and war/conflict spiked, while specific mentions of trade and tariffs decreased notably.”

Unsurprisingly given the Iran war oil shock, consumers' average and median 12-month inflation expectations surged in March to levels last seen in August 2025, when US consumers awaited more tariff

NATIONAL UPDATE

Leading Economic Indicators

The **Conference Board Leading Economic Index® (LEI)** for the US inched down by 0.1% in January 2026 to 97.5 (2016=100), following a 0.2% decline in December. Overall, the LEI fell by 1.3% over the six-month period from July 2025 to January 2026, half the rate of decline compared to its -2.6% contraction over the previous six months (January to July 2025).

“The U.S. LEI fell further in January, as consumer expectations retreated again and building permits softened,” said Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board. “While the topline LEI continues to signal headwinds to economic activity, the strengths among its components on the six-month basis were widespread for three straight months (November 2025–January 2026), with 7 out of 10 components advancing. As the latest LEI data do not yet reflect the impact from war in Iran, The Conference Board revised GDP growth down by 0.1 ppt to 2.0% y/y for 2026, which will be lower than growth in 2025.”

The **Conference Board Coincident Economic Index® (CEI)** for the US rose by 0.3% in January 2026 to 115.3 (2016=100), after an increase of 0.2% in December. Overall, the CEI expanded by 0.3% over the six-month period from July 2025 to January 2026, after also expanding 0.3% over the previous six months. 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. All components improved in January, with manufacturing and trade sales being estimated for the month.

The **Conference Board Lagging Economic Index® (LAG)** for the US increased by 0.3% to 120.0 (2016=100) in January 2026, more than reversing its 0.2% decline in December. As a result, the LAG's six-month change turned positive—at 0.5% growth—for the first time since October 2025. announcements from the US federal government. Consequently, the percentage of consumers stating that interest rates over the next 12 months will be higher on net skyrocketed from 34.9% to 42.4%. Expectations for higher stock prices a year from now plunged

A DEEPER DIVE – NATIONAL, CONT.

Consumer Confidence, Cont.

announcements from the US federal government. Consequently, the percentage of consumers stating that interest rates over the next 12 months will be higher on net skyrocketed from 34.9% to 42.4%. Expectations for higher stock prices a year from now plunged.

Consumers' net views of their Family's Current Financial Situation improved slightly in March after a February retreat. 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" rose, while those saying "somewhat likely" or "not likely" fell. The cohort believing the US is already in a recession was virtually unchanged. (These measures are not included in calculating the Consumer Confidence Index®).

Consumers' plans to buy big-ticket items over the next six months shifted from "yes" and "maybe" in February, to "no" in March. Nonetheless, the proportion saying "yes" remained well above the other responses. Used cars, furniture, TVs, and smartphones remained the most popular items within their respective categories for future purchases. Among all expensive items, furniture persists as the top expected purchase.

Buying plans for autos continued rising on a six-month moving average basis in March, with used cars remaining the clear preference over new cars. Homebuying expectations were somewhat lower on a six-month rolling basis for both existing and new units in the month, with consumers continuing to prefer existing homes to newly built ones. Purchase plans for all types of home furnishings, white goods, and electronics on a six-month moving average basis improved in March.

Consumers planning more spending on services over the next six months also shifted from "yes" and "maybe" to "no." Consumer spending trends in 2026 remain focused on "cheap thrills" and necessary services, and away from expensive and highly discretionary activities.

Among services, anticipated spending over the next six months fell for every category in March, except for fitness/gym, gambling/lottery, amusement park/outdoor recreation, and childcare/education. Despite dipping in the month, restaurants/bars/take-out remained the top category for expected spending ahead, still followed by streaming/internet/mobile services and beauty and personal care. However, utilities and healthcare displaced hotel/motel for personal travel among the top five future spending categories. This displacement is consistent with the dip in overall vacation plans over the next six months, and consumers' continued complaints about rising electricity and healthcare costs. Domestic travel intentions remained buoyant in March, but foreign travel plans collapsed, likely due to conflicts abroad. Expected spending on airfare/trains for personal travel fell in March after being unchanged from January to February.

Present Situation

Consumers' assessments of **current business conditions** improved in March.

- 21.9% of consumers said business conditions were "good," up from 20.4% in February.
- 16.3% said business conditions were "bad," down from 19.0%.

Consumers' views of the **labor market** were virtually unchanged in March.

- 27.3% of consumers said jobs were "plentiful," up slightly from 26.7% in February.
- 21.5% of consumers said jobs were "hard to get," up slightly from 21.0%.

Expectations Six Months Hence

Consumers were a tad less pessimistic about future business conditions in March.

- 18.2% of consumers expected business conditions to improve, up from 17.6% in February.
- 21.3% expected business conditions to worsen, a small uptick from 21.2%.

However, consumers were more negative about the labor market outlook in March.

- 15.4% of consumers expected more jobs to be available, down from 16.0% in February.
- 27.9% anticipated fewer jobs, up from 26.2%.

Consumers' outlook for their income prospect was slightly less optimistic in March.

- 19.2% of consumers expected their incomes to increase, up from 18.4% in February.
- 13.9% expected their incomes to decline, up from 12.5%.

A DEEPER DIVE – NATIONAL, CONT.

Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 0.7 percent in the fourth quarter of 2025 (October, November, and December), according to the second 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.

Real GDP was revised down 0.7 percentage point from the advance estimate, reflecting downward revisions to exports, consumer spending, government spending, and investment. Imports decreased less than previously estimated.

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 previous quarter.

Real final sales to private domestic purchasers, the sum of consumer spending and gross private fixed investment, increased 1.9 percent in the fourth quarter, revised down 0.5 percentage point from the previous estimate.

The price index for gross domestic purchases increased 3.8 percent in the fourth quarter, revised up 0.1 percentage point from the previous estimate. The personal consumption expenditures (PCE) price index increased 2.9 percent, the same as previously estimated. Excluding food and energy prices, the PCE price index increased 2.7 percent, also the same as previously estimated.

GDP for 2025

Real GDP increased 2.1 percent in 2025 (from the 2024 annual level to the 2025 annual level), revised down 0.1 percentage point from the previous estimate. 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, the same as previously estimated. The PCE price index also increased 2.6 percent, and the PCE price index excluding food and energy increased 2.8 percent, both the same as previously estimated.

A DEEPER DIVE – HOUSING

Existing-Home Sales

Existing-home sales increased by 1.7% month-over-month in February, 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 sales rose in the Midwest, South and West, and fell in the Northeast. Year-over-year sales rose in the South and fell in the Northeast, Midwest and West.

Affordability improved for the eighth consecutive month, according to NAR's Housing Affordability Index—increasing to 117.6 in February from 117.1 in January and 103.1 a year ago. This marks the highest level since March 2022.

“Housing affordability is improving, and consumers are responding,” said NAR Chief Economist Dr. Lawrence Yun. “Still, there is a long way to go to return to pre-pandemic levels of transaction activity. There are more than 6 million more jobs than in 2019, yet home sales per year are down by one million.”

“Despite the modest gain in home sales, actual housing demand remains muted relative to wage growth and job gains,” Yun continued. “Wage growth is now outpacing home price growth by almost four percentage points. Mortgage rates are also measurably lower compared to a year ago.”

“Inventory is growing, but sluggishly,” he added. “If demand picks up notably in the coming months and outpaces supply growth, home prices will inevitably rise. That is why increasing supply is so important to help limit home price growth, improve housing affordability, and boost transactions.”



A DEEPER DIVE – HOUSING, CONT.

National Snapshot

Total Existing-Home Sales for February

- 1.7% increase in existing-home sales month over month to a seasonally adjusted annual rate of 4.09 million.
- 1.4% decrease in sales year over year.

Inventory in February

- 1.29 million units: Total housing inventory, up 2.4% from January and 4.9% from February 2025.
- 3.8-month supply of unsold inventory, unchanged from last month and up from 3.6 months one year ago.

Median Sales Price in February

- \$398,000: Median existing-home price for all housing types, up 0.3% from one year ago (\$396,800) – the 32nd consecutive month of year-over-year price increases.

Housing Affordability in February

- The Housing Affordability Index rose to 117.6 in February, up from 117.1 in January 2025 and 103.1 a year ago.
- Year-over-year, affordability improved across all regions.
 - Northeast +10.0%
 - Midwest +11.7%
 - South +14.1%
 - West +17.0%

Single-Family-Homes Sales in February

- 2.5% increase in sales month over month to a seasonally adjusted annual rate of 3.73 million, down 1.1% from February 2025.
- \$401,800: Median home price, up 0.2% from last year.

Condominiums and Co-ops Sales in February

- 5.3% decrease in sales month over month and year over year to a seasonally adjusted annual rate of 360,000, down 5.3% from last year.
- \$358,100: Median price, up 0.9% from February 2025.

Regional Snapshot for Existing-Home Sales in February

Northeast

- 6.0% decrease in sales month over month to an annual rate of 470,000, down 4.1% year over year.
- \$479,800: Median price, up 3.3% from February 2025.

Midwest

- 1.1% increase in sales month over month to an annual rate of 940,000, down 4.1% year over year.
- \$302,100: Median price, up 2.3% from February 2025.

South

- 1.6% increase in sales month over month to an annual rate of 1.89 million, up 0.5% year over year.
- \$356,800: Median price, up 0.2% from February 2025.

West

- 8.2% increase in sales month over month for an annual rate of 790,000, down 1.3% year over year.
- \$603,100: Median price, down 1.9% from February 2025.

REALTORS® Confidence Index for February

- 47 days: Median time on market for properties, up from 46 days last month and 42 days in February 2025.
- 34% of sales were first-time homebuyers, up from 31% in January and one year ago.
- 31% of transactions were cash sales, up from 27% a month ago and down from 32% in February 2025.
- 16% of transactions were individual investors or second-home buyers, unchanged from last month and one year ago.
- 3% of sales were distressed sales (foreclosures and short sales), up from 2% last month and unchanged from February 2025.

Mortgage Rates

- 6.05%: The average 30-year fixed-rate mortgage in January, according to Freddie Mac, down from 6.10% in January and 6.84% one year ago.

A DEEPER DIVE – HOUSING, CONT.

New Residential Sales

Sales of new single-family houses in January 2026 were at a seasonally-adjusted annual rate of 587,000, according to estimates released jointly by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 17.6 percent below the December 2025 rate of 712,000, and is 11.3 percent below the January 2025 rate of 662,000.

The median sales price of new houses sold in January 2026 was \$400,500. This is 4.5 percent below the December 2025 price of \$419,200, and is 6.8 percent below the January 2025 price of \$429,600. The average sales price of new houses sold in January 2026 was \$499,500. This is 5.9 percent below the December 2025 price of \$530,900, and is 3.6 percent below the January 2025 price of \$518,200.

The seasonally-adjusted estimate of new houses for sale at the end of January 2026 was 476,000. This is 0.4 percent above the December 2025 estimate of 474,000, and is 4.0 percent below the January 2025 estimate of 496,000.

This represents a supply of 9.7 months at the current sales rate. The months' supply is 21.3 percent above the December 2025 estimate of 8.0 months, and is 7.8 percent above the January 2025 estimate of 9.0 months.

Compared to January 2025 on a seasonally-adjusted basis, sales were down 11.3% overall with sales also down 8.8% in the South and down 28.7% in the West, but up 18.0% in the Midwest and flat (0.0%) in the Northeast.

Housing Starts

Privately-owned housing starts in January were at a seasonally adjusted annual rate of 1,487,000. This is 7.2 percent above the revised December estimate of 1,387,000 and is 9.5 percent above the January 2025 rate of 1,358,000.

Single-family housing starts in January were at a rate of 935,000; this is 2.8 percent below the revised December figure of 962,000. The January rate for units in buildings with five units or more was 524,000 (402,000 in December).

Single-family starts compared to January 2025, on a seasonally-adjusted basis, were down 6.5% in total, as well as down 1.5% in the South, down 6.4% in the Northeast, down 23.4% in the West, but up 7.5% in the Midwest.

Housing Completions

Privately-owned housing completions in January were at a seasonally adjusted annual rate of 1,527,000. This is 4.8 percent above the revised December estimate of 1,457,000, but is 7.5 percent below the January 2025 rate of 1,651,000.

Single-family housing completions in January were at a rate of 970,000; this is 1.0 percent below the revised December rate of 980,000.

The January rate for units in buildings with five units or more was 532,000 (483,000 in December).

Single-family completions compared to January 2025, on a seasonally-adjusted basis, were down 3.3% in total, as well as down 7.1% in the South and down 13.2% in the West, but up 27.1% in the Midwest and up 21.3% in the Northeast.

A DEEPER DIVE – OTHER NATIONAL

Retail Sales

Advance estimates of U.S. retail and food services sales for February 2026, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$738.4 billion, up 0.6 percent from the previous month, and up 3.7 percent from February 2025. Total sales for the December 2025 through February 2026 period were up 3.1 percent from the same period a year ago. The December 2025 to January 2026 percent change was revised from down 0.2 percent to down 0.1 percent.

Retail trade sales were up 0.6 percent from January 2026, and up 3.5 percent from last year. Nonstore retailers were up 7.5 percent from last year, while food service and drinking places were up 5.2 percent from February 2025.

Sales at furniture and home furnishings stores in February 2026 were down 1.0% compared to January 2026 on a seasonally-adjusted basis and down 5.6% from February 2025. Year to date on a non-adjusted basis, sales were down 4.8%.

A DEEPER DIVE – OTHER NATIONAL, CONT.

Consumer Prices

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.3 percent on a seasonally adjusted basis in February, after rising 0.2 percent 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 February and was the largest factor in the all-items monthly increase. The food index increased 0.4 percent over the month as did the food at home index, while the food away from home index rose 0.3 percent. The index for energy also increased in February, rising 0.6 percent.

The index for all-items less food and energy rose 0.2 percent in February. Indexes that increased over the month include medical care, apparel, household furnishings and operations, airline fares, and education. Conversely, the indexes for communication, used cars and trucks, motor vehicle insurance, and personal care were among the major indexes that decreased in February.

The all-items index rose 2.4 percent for the 12 months ending February, the same increase as reported for the 12 months ending January. The all-items less food and energy index rose 2.5 percent over the year, also the same increase as reported for the 12 months ending in January. The energy index increased 0.5 percent for the 12 months ending February. The food index increased 3.1 percent over the last year.

Employment

Both the unemployment rate, at 4.4 percent, and the number of unemployed people, at 7.6 million, changed little in February.

In February, the average workweek for all employees on private nonfarm payrolls was unchanged at 34.3 hours. In manufacturing, the average workweek edged down by 0.1 hour to 40.1 hours, and overtime was unchanged at 3.0 hours. The average workweek for production and nonsupervisory employees on private nonfarm payrolls was unchanged at 33.8 hours.

Durable Goods Orders and Factory Shipments

New orders for manufactured durable goods in January, down three of the last four months, decreased less than \$0.1 billion or virtually unchanged to \$321.3 billion, unchanged from the previously published decrease. This followed a 0.9 percent December decrease. Transportation equipment, also down three of the last four months, drove the decrease, \$0.9 billion or 0.8 percent to \$113.5 billion. New orders for manufactured nondurable goods increased \$0.9 billion or 0.3 percent to \$298.7 billion.

Shipments of manufactured durable goods in January, up four of the last five months, increased \$1.9 billion or 0.6 percent to \$314.1 billion, unchanged from the previously published increase. This followed 1.2 percent December increase. Transportation equipment, up three of the last four months, led the increase, \$1.0 billion or 1.0 percent to \$103.5 billion. Shipments of manufactured nondurable goods, up two consecutive months, increased \$0.9 billion or 0.3 percent to \$298.7 billion. This followed a 0.1 percent December increase. Petroleum and coal products, up following five consecutive monthly decreases, led the increase, \$0.7 billion or 1.3 percent to \$51.9 billion.

On a seasonally-adjusted basis, January shipments for furniture and related products were down 0.7% compared to the prior month, while new orders were down 0.4%. On a non-adjusted basis, January 2026 year to date shipments for furniture and related products were up 0.4% compared to the prior year, while year to date new orders were up 2.8%.