

E GUIDE

# The state of the upholstered furniture industry 2026

Key trends shaping residential & contract manufacturing across North America and Europe



LECTRA

# Where the industry stands today

2025 was another demanding year for furniture manufacturers. Costs remained high, skilled workers were hard to find, and demand stayed fragile. In 2026, the situation will still be uncertain — but not without opportunity.

Customers continue to expect more: more models, more colors, faster delivery, and sustainable materials — all without paying more. For manufacturers, this means doing more with less.

**Across North America and Europe, most companies are asking the same questions:**

- How can we protect profit margins when costs rise?
- How can we keep up with changing demand?

In North America, retail activity is slowly improving but remains sensitive to high interest rates. In Europe, exports keep many factories running while domestic sales stay weak.

The answer lies in working smarter, not harder. Manufacturers that modernize production, reduce waste and stay flexible will come out stronger.

**This e-guide highlights the main trends shaping 2026 — and how smarter production methods like automation, near-market sourcing and digital planning can help you stay profitable and ready for the future.**

## TREND 01

# Recovery is in motion — but not everywhere

After three years of uncertainty, the furniture market is slowly finding its balance again. Global consumption grew by **+3.1% in 2024** — the first real rebound since 2021 — and moderate growth is expected to continue at **+1% in 2025** and **+1.6% in 2026**.

But recovery isn't the same everywhere.

In **North America**, sales are picking up, but the housing market is still slow and interest rates remain high. Many customers are waiting before investing in new furniture.

In **Europe**, the picture is mixed. Germany, the United Kingdom, and Poland rely more on exports to keep their factories busy as local demand stays low. Italy keeps its strong export base but faces weaker domestic sales. **Spain** is the exception — steady local production and balanced exports are keeping its growth on track.

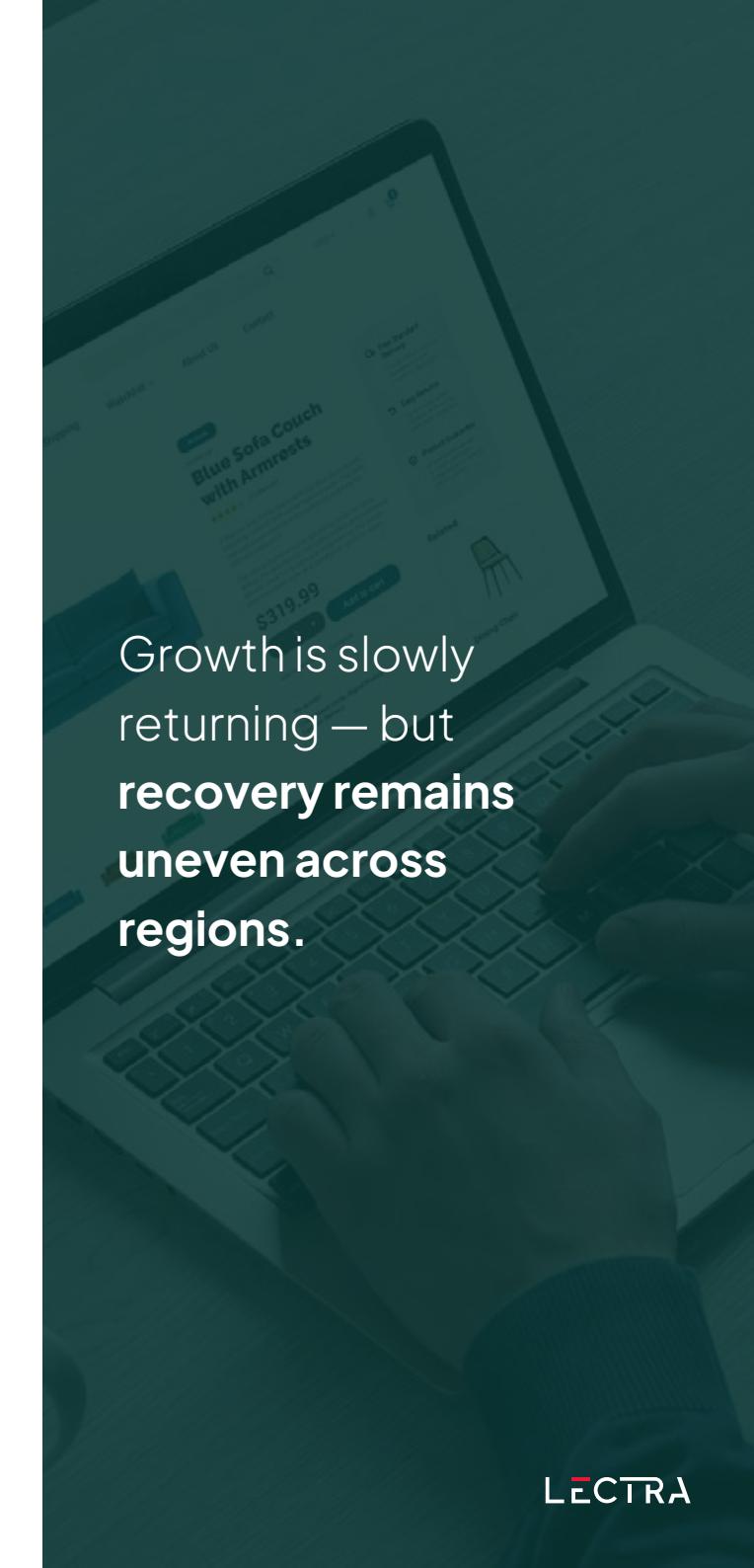
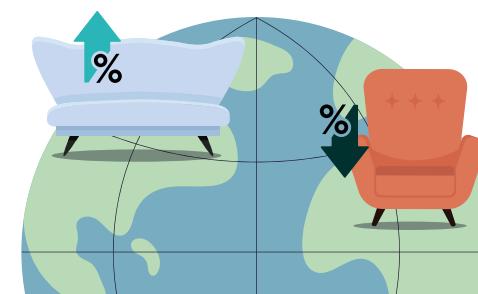
A new layer of uncertainty now comes from trade policy. **The United States has announced new tariffs on upholstered furniture imports — 25% from October 2025, rising to 30% in 2026.**

These duties will vary by region but are expected to slow international trade and shift some demand toward **local or near-market production**.

For manufacturers, this means one thing: **be ready for change**. Staying flexible in sourcing and production will help manage cost fluctuations and make the most of new opportunities as imports become more expensive.

Demand is coming back, but unevenly. **Those who use this time to rethink how they plan, produce and manage resources will be stronger tomorrow**. It's the right moment to review workflows, adjust production volumes, and prepare teams and tools to respond faster when demand grows again.

**+3,1%**  
global furniture growth in 2024 — but uneven recovery across markets.



Growth is slowly returning — but **recovery remains uneven across regions**.

## TREND 02

# Margins are tight but expectations keep rising

Customers today want more of everything — more styles, more fabrics, more colors, and faster delivery. But they still expect affordable prices. For manufacturers, this means pressure from both sides: **higher costs and tighter margins**.

Orders are changing too. Instead of long production runs, many factories now receive **shorter, more varied orders**. This means more frequent product switches and machine adjustments — and more chances for waste or delay if planning isn't precise.

At the same time, customers expect **good quality and durable materials**, often made with lower environmental impact. They want furniture that lasts, but they still compare prices online.

Managing all this is difficult with processes built for high volumes and steady demand.

But it also opens a door: manufacturers who simplify how they plan and organize work can make customization **profitable**.



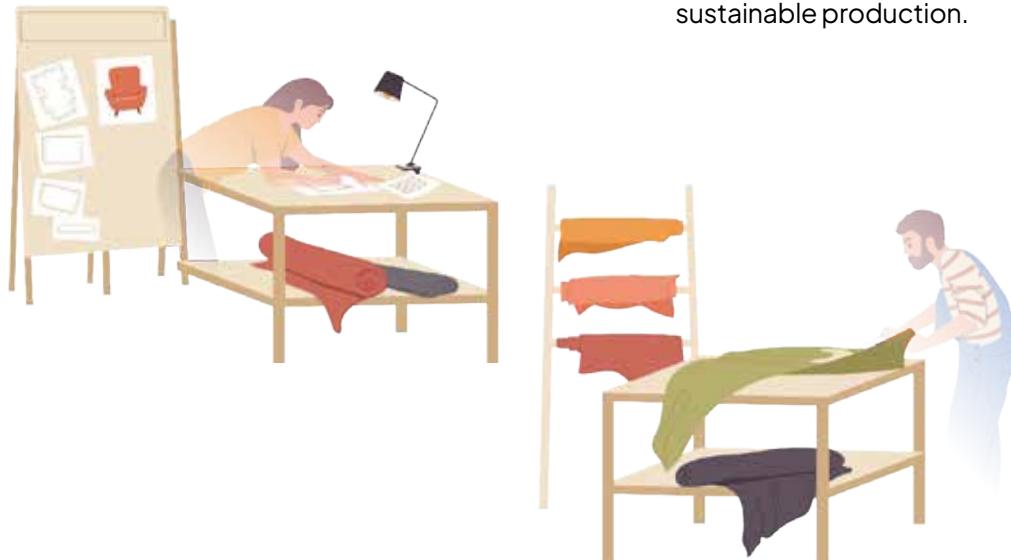
**Efficient production is the new competitive edge.** Those who prepare their teams and tools to switch faster — while reducing waste — will protect both margins and reputation.

## TREND 03

# Rising costs and labor gaps challenge efficiency

Across the industry, two problems keep coming back: **costs that stay high** and **staff that's hard to find**.

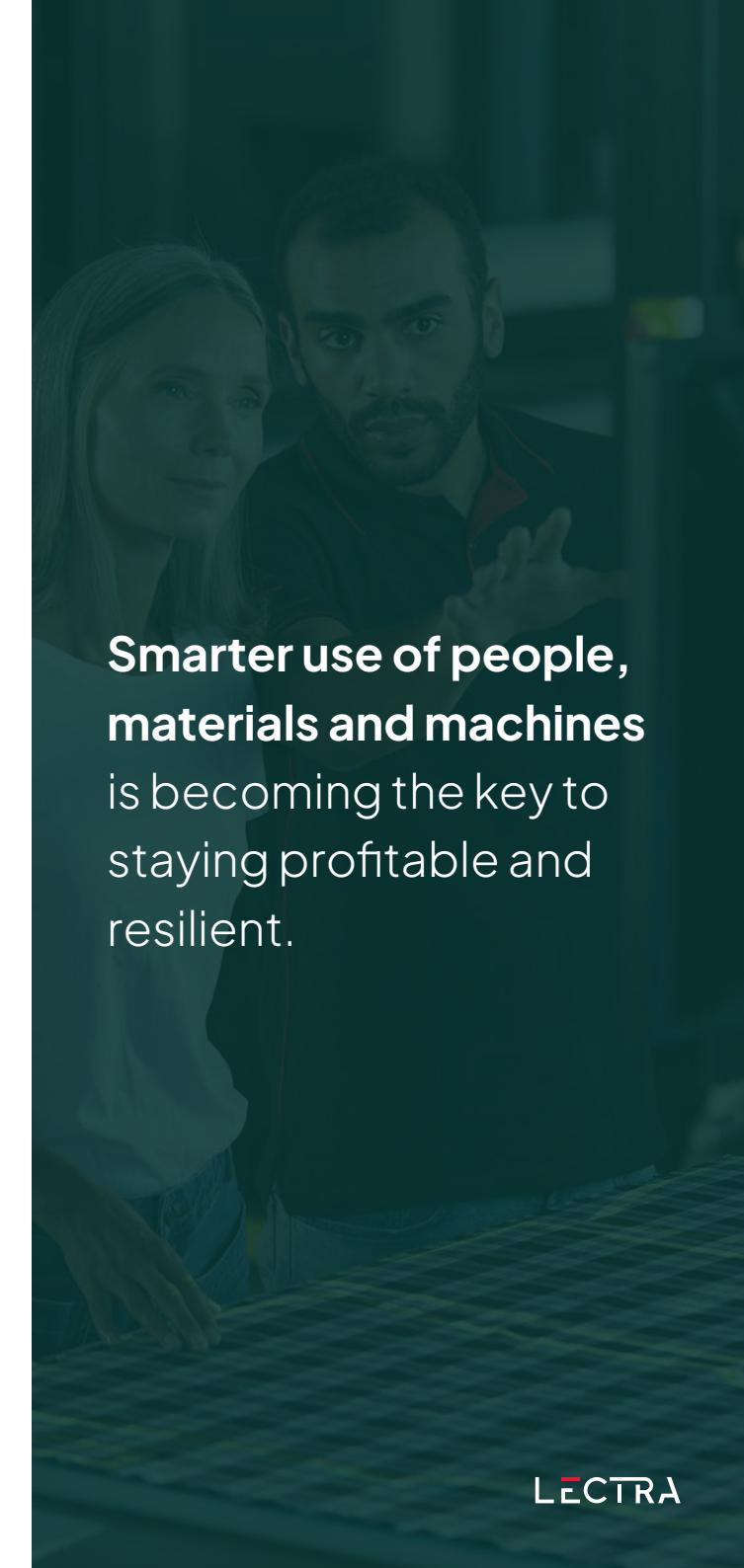
Skilled upholsterers, cutters, and sewing operators are becoming rare in many factories, especially in Europe and North America. Many experienced workers are retiring, and there are not enough young people coming in to replace them.



At the same time, prices for fabric, foam, and energy remain unpredictable. Transport costs can also change from one month to the next, making it harder to plan ahead.

When costs rise and staff is short, every meter of fabric and every hour of work counts. That's why more manufacturers are reviewing how they use materials, energy and time.

Tools that **optimize cutting, track consumption and automate repetitive steps** are helping reduce waste and pressure on teams. These gains don't just protect margins — they also support more sustainable production.



**Smarter use of people, materials and machines** is becoming the key to staying profitable and resilient.

## TREND 04

# Global competition intensifies as imports surge

Competition in the furniture market keeps getting tougher — and now, **new trade barriers are changing the rules again**.

Starting **October 14, 2025**, the United States will apply **25% tariffs on upholstered furniture imports**, increasing to **30% from January 1, 2026**. While these rates will be lower for partners such as the **UK (10%)** and **EU (15%)**, imports from **China** could face combined duties of **over 50%**.

These measures will likely reshape trade flows, encouraging more production closer to the US market and intensifying competition among regional suppliers such as **Vietnam, Mexico and Eastern Europe**.

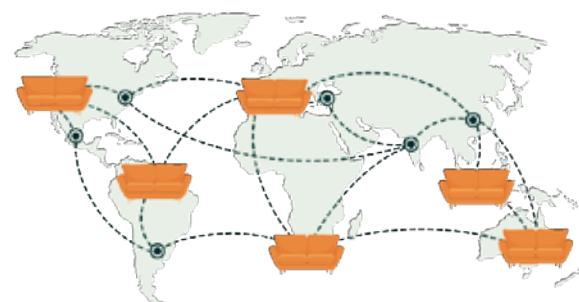
**Vietnam** has now become the **main supplier of upholstered furniture to the US**, thanks to its strong export capacity and competitive costs. **India** is also expanding quickly, supported by a large domestic market and growing investments in production.

For manufacturers in **Europe and North America**, this shift can also create opportunity. As costs rise for imported products, **local producers gain an advantage** in delivery speed, quality assurance, and compliance with sustainability standards.

But local players have their own strengths. Being close to the market means **faster delivery**, **better quality control**, and **trusted relationships** with customers. It also makes it easier to meet expectations for **sustainability**, **traceability** and **flexibility**.

**25%**

tariffs will be applied by the United States on upholstered furniture imports starting October.



The way forward is not to be **the cheapest**, **but to be the most reliable and responsive**. Manufacturers who focus on speed, quality, and responsible production will keep — and grow — their share in this changing market.

# Final takeaways

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2026 will bring both challenges and opportunities.

Manufacturers who plan ahead and stay flexible will be best prepared to face what's next.

## 1. Demand is uneven

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Some markets are picking up, others remain flat. Stay alert to local conditions and ready to adjust production and inventory.

## 2. More models, smaller series

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Customers want choice. Plan production so changeovers are faster — from one fabric, model or batch to the next — and limit fabric and time loss between orders.

## 3. Costs are high, labor is scarce

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Protect margins by working smarter — use nesting and cutting tools to save fabric, schedule work to avoid downtime, and automate repetitive or precision steps like cutting or labeling to free up skilled staff for value-added work.

## 4. Imports are growing

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You can't compete on price alone. Compete on reliability, delivery speed, and sustainable practices that build long-term trust.

**Every challenge is also a chance to rethink the process.** With the right tools and support, furniture manufacturers can turn today's pressure into tomorrow's advantage.

# Tackling industry challenges together

**Furniture manufacturers everywhere are facing the same challenges:**

- Demand that goes up and down
- More models and materials to manage
- Rising costs and fewer skilled workers
- Growing competition from low-cost imports and changing trade rules

These pressures can feel overwhelming – but they also create space for improvement. The companies that succeed are those who use this time to simplify how they work, eliminate waste, and equip their teams with the right tools to stay efficient and competitive.

At Lectra, we work every day with furniture manufacturers to help them modernize production – connecting design, cutting and planning to save time, reduce costs, and make better use of resources.

**Let's talk about how you can strengthen your process for 2026 and beyond.**

BY YOUR SIDE  
TO SHAPE THE FUTURE OF FURNITURE  
MANUFACTURING

Contact us to see how Valia Furniture connects every step — from order to cutting — for faster, simpler, and more reliable production.

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