THE Farnsworth GROUP

Cabinetry: Design & Market Trends

Cabinet demand is supported by record remodeling spend and improving single-family housing activity, with kitchens and baths benefiting from homeowners' willingness to invest in high-impact, design-driven upgrades.

Headwinds persist for new single-family construction, while demand and home equity tailwinds support existing home and larger project activity into 2026. Both are constrained by limited disposable income, affordability pressures, and continued uncertainty.

New Construction:
Single family housing is expected to have low growth in 2026 while multifamily – after double digit growth in 2025 – is projected to see modest increases as rental continues to be a solution to first-time buyer affordability.

Remodeling:
Expected to reach a new high in 2026 ($524B) as high home values, locked in low rates, aging housing stock influence "spend at home" behavior.

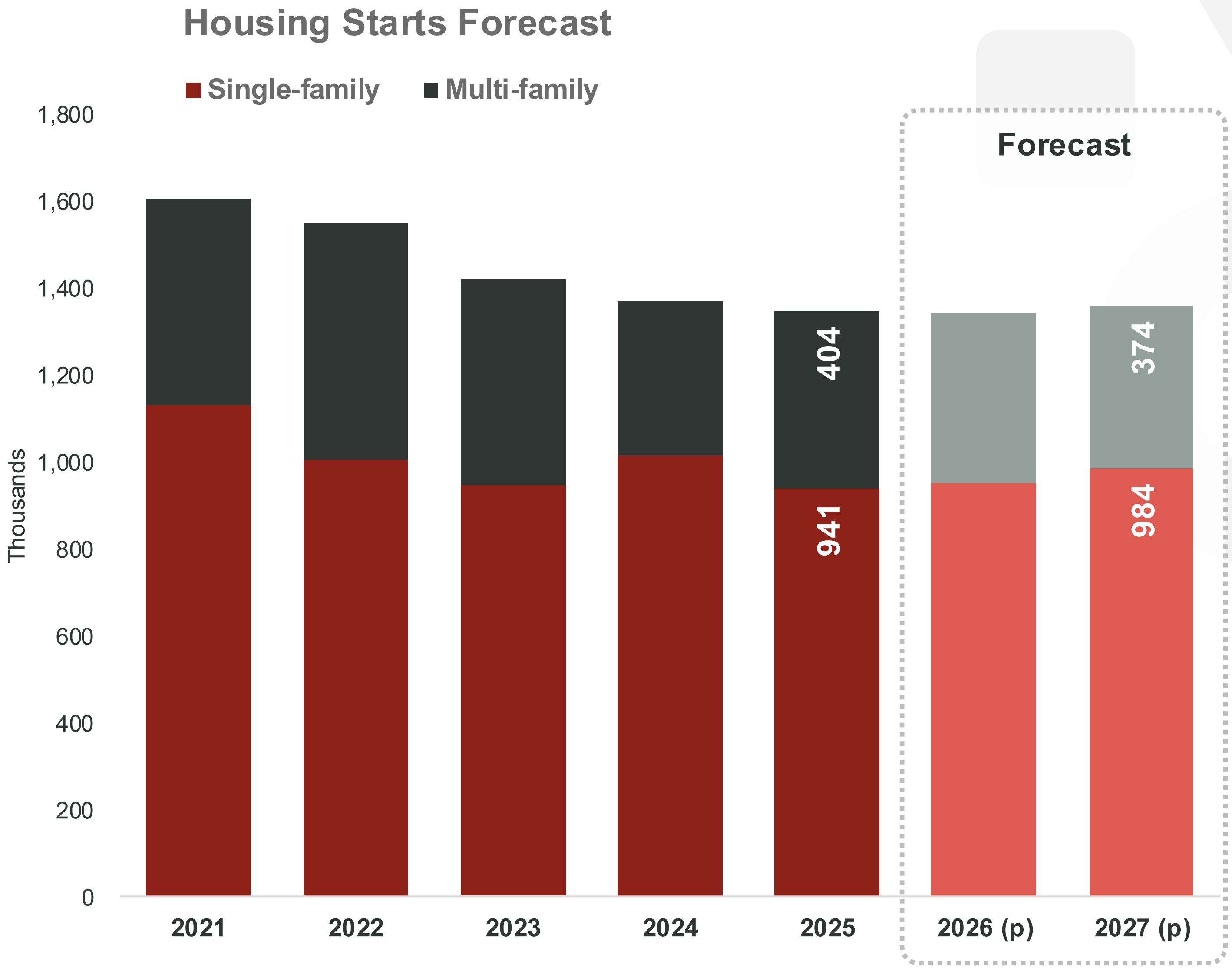
Areas to Watch:
Disposable income and savings rates are projected low, if these are higher than expected it will lead to increased spend. Job numbers and ongoing geopolitical events may keep consumer sentiment and spending down.

Macro Fundamentals & Forecasts

as of January 16, 2025

Housing Starts: Gradual Growth Expected

- Housing start forecasts include both single- and multi-family new residential construction starts, but exclude unit completions, sales, and closes.
- Single-family starts are expected to stabilize in 2026 and strengthen in 2027 as affordability improves and pent-up demand returns.
- Multi-family starts are projected to moderate through 2026 as excess supply is absorbed, then level off in 2027.

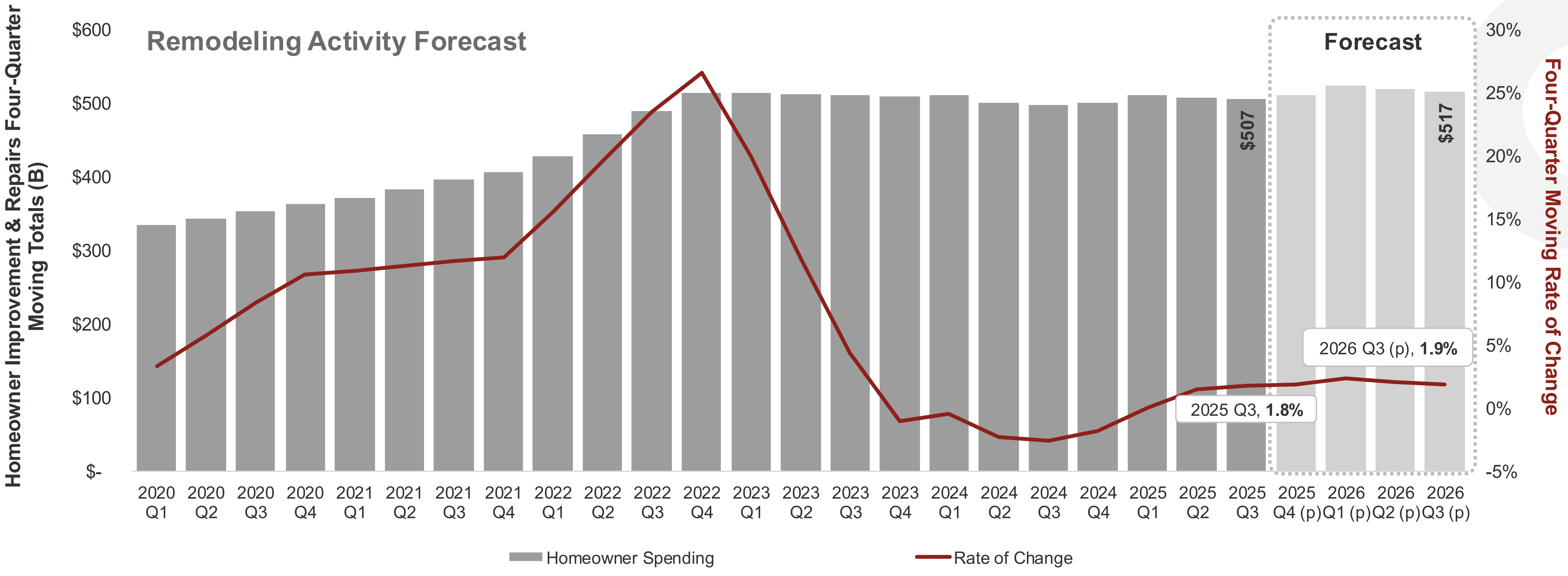


Source: National Association of Realtors | TFG Industry Drivers Report, **Data as of January 16, 2026**

Home Remodeling Begins a Measured Rebound

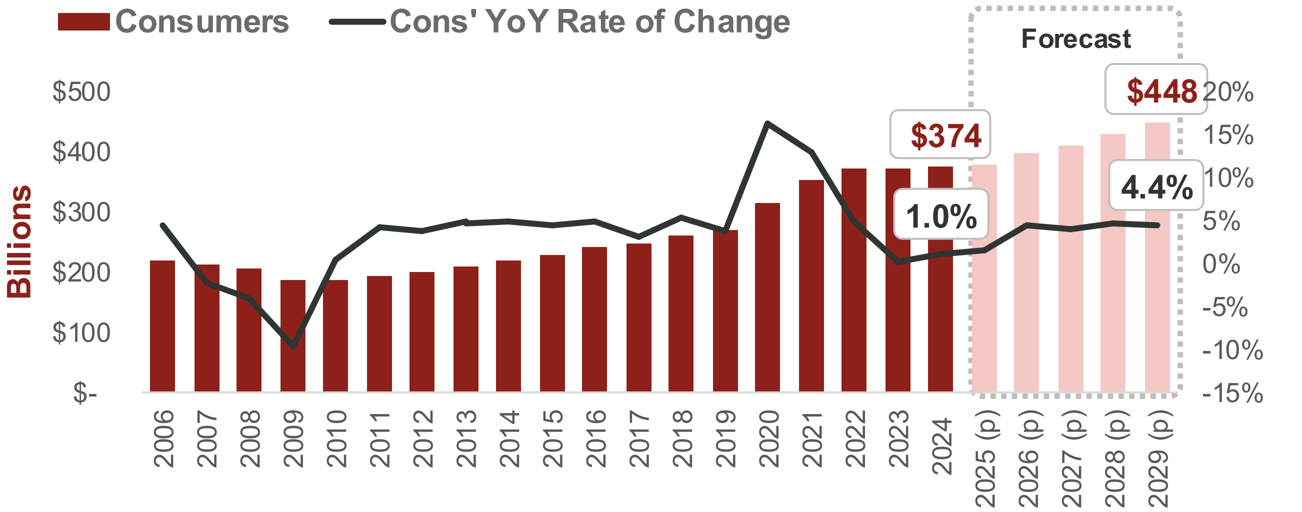
Leading Indicator of Remodeling Activity (LIRA) forecasts residential remodeling activity which, historically, remains less volatile than home construction. Because home values remain high, the Joint Center for Housing Studies (JCHS) anticipates remodeling may perform better than new housing.

JCHS expects annual expenditures for improvements and repairs to owner-occupied homes to grow slowly but steadily through the middle of 2026. Homeowner remodeling spending is projected to hit $517B in early 2026, setting a new record.



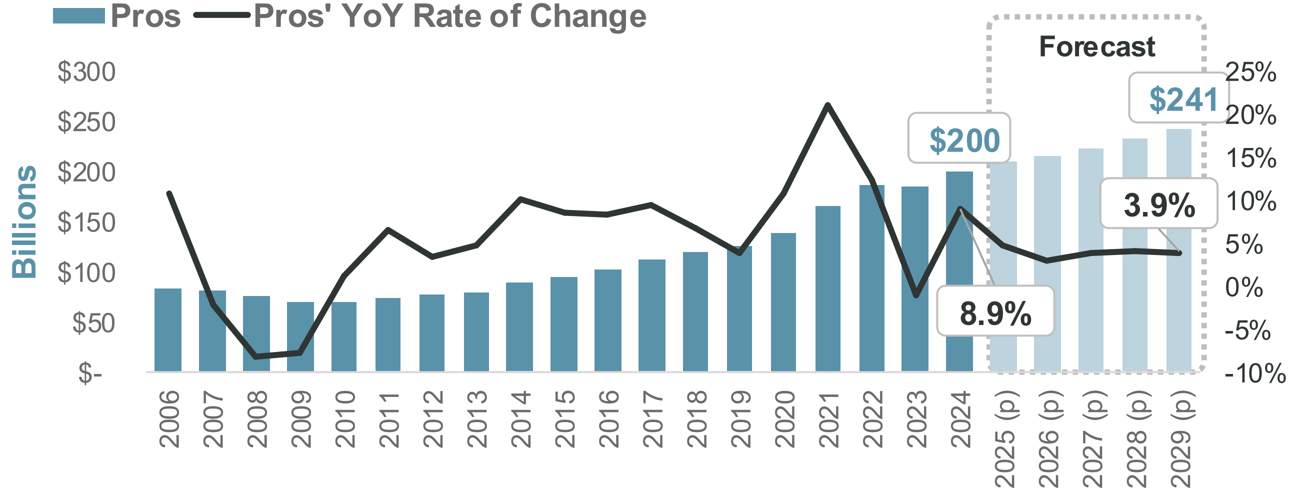
Source: Joint Center for Housing Studies of Harvard University | TFG Industry Drivers Report, **Data as of January 16, 2026**

Home Improvement Spend: Modest Growth forecast for Consumers but Pros near 9% increase



Consumers: YoY Growth Recovers in 2025

- The Home Improvement Research Institute (HIRI) predicts the total spend on home improvement products by consumers each year based on previous years' data.
- After a dramatic decrease in year-over-year (YoY) growth, the forecast anticipates a modest (1%) increases in consumer product spend for 2025.



Pros: YoY Growth Recovers in 2025

- Leveraging historical data, HIRI forecasts annual spending on home improvement products by contractors and remodelers.
- While 2024 saw modest growth, HIRI predicts a more substantial uptick (8.9%) in revenue from 2025 onwards.

Source: HIRI US Size of the Building Products Market Forecast | TFG Industry Drivers Report, **Data as of January 16, 2026**

Homeowners remain motivated to improve their homes and renters aspire to buy, but income growth continues to lag rising costs, keeping customers highly budget sensitive. As a result, pros must provide value-oriented offerings that instill confident consumer decisions.

Homeowner confidence is volatile, and they remain in a state of uncertainty, which causes postponed or trade-down activity. Homeowners must feel comfortable and confident about decisions, and what they spend is worth it.

Homeowners are budget sensitive, scaling back project scopes and prioritizing essentials. Contractors, suppliers, and brands are tasked with responding by offering a breadth of prices and clear value propositions to accommodate a range of needs.

Consumers are being deliberate with lower-than-normal disposable income. They want to do projects and are weighing their options. Options must be in sync with features and benefits customers value.

Consumers and Pros are using more resources than ever to research and purchase products, which is reflected in ongoing brand and supplier shifts. Expect digital and physical elements to play an ongoing roll as customer look for solutions to achieve ranging project goals.

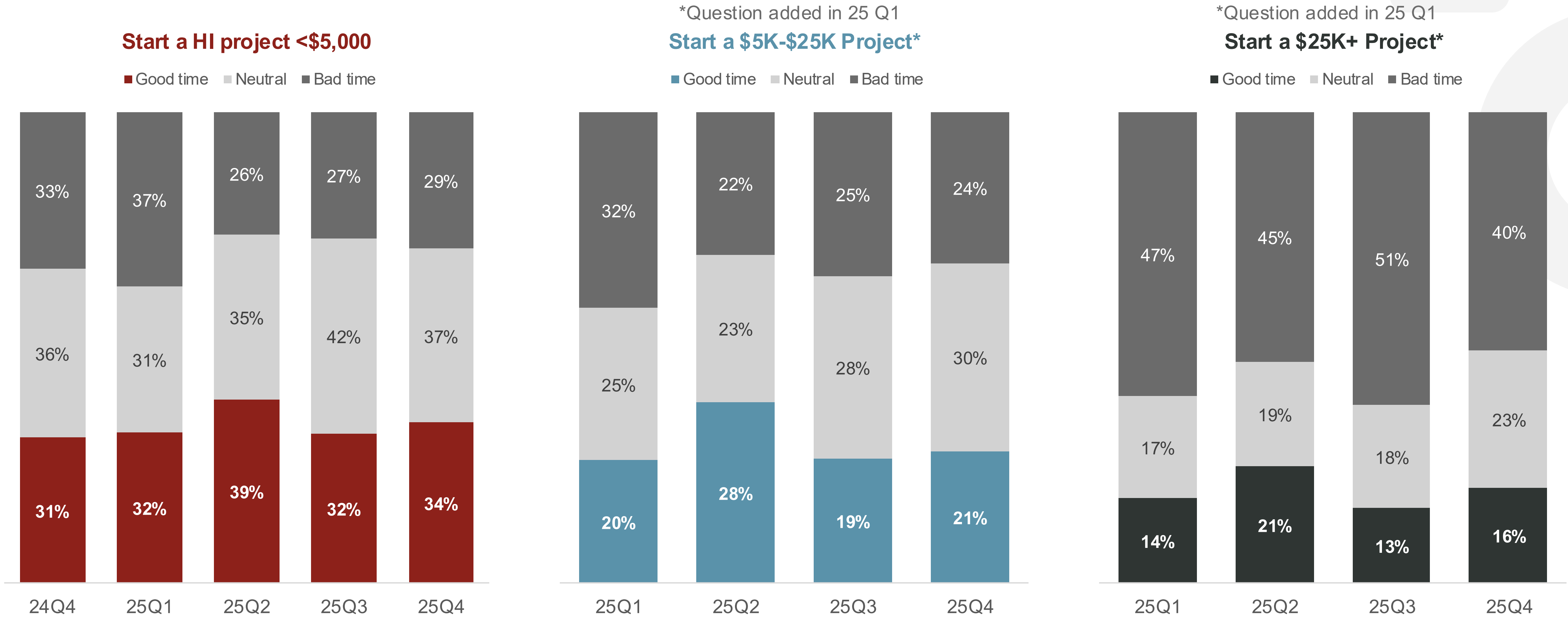
Attitudes & Purchasing Insights

as of January 16, 2025

Project Sentiment Improves For Large Projects

The percentage of homeowners who feel now is a *bad time to start a home improvement project* over $25k is at its lowest level in five quarters

2025 Home Improvement Activity Sentiment



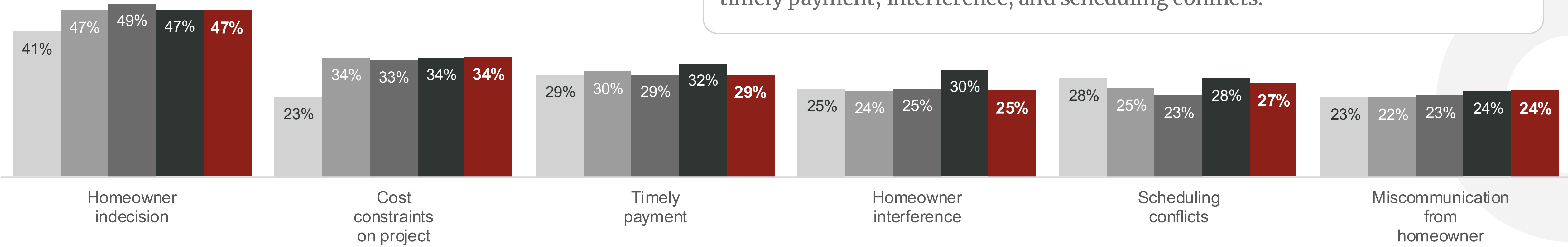
Source: Q4 2025 HIRI/TFG Contractor and Homeowner Activity Trackers, **Data as of January 16, 2026**

Pros working with homeowners increasingly face indecision and cost constraints while availability remains a challenge.

Homeowner Challenges Faced

24Q4 25Q1 25Q2 25Q3 25Q4

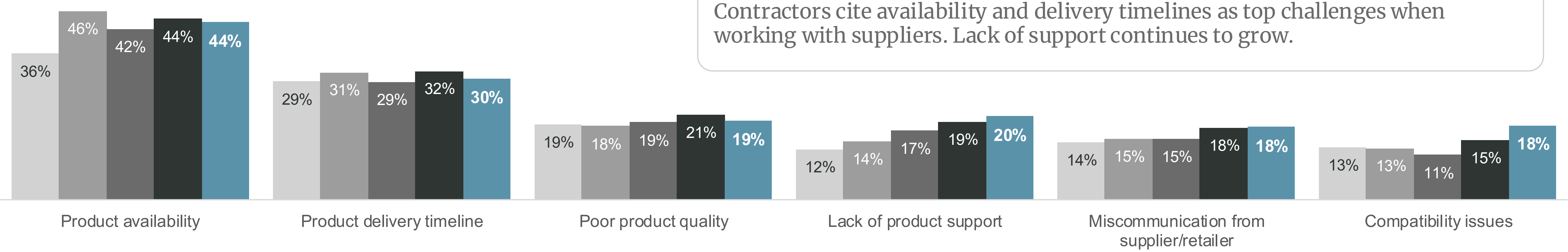
Homeowner indecision and project cost constraints lead challenges, alongside timely payment, interference, and scheduling conflicts.



Supplier Challenges Faced

24Q4 25Q1 25Q2 25Q3 25Q4

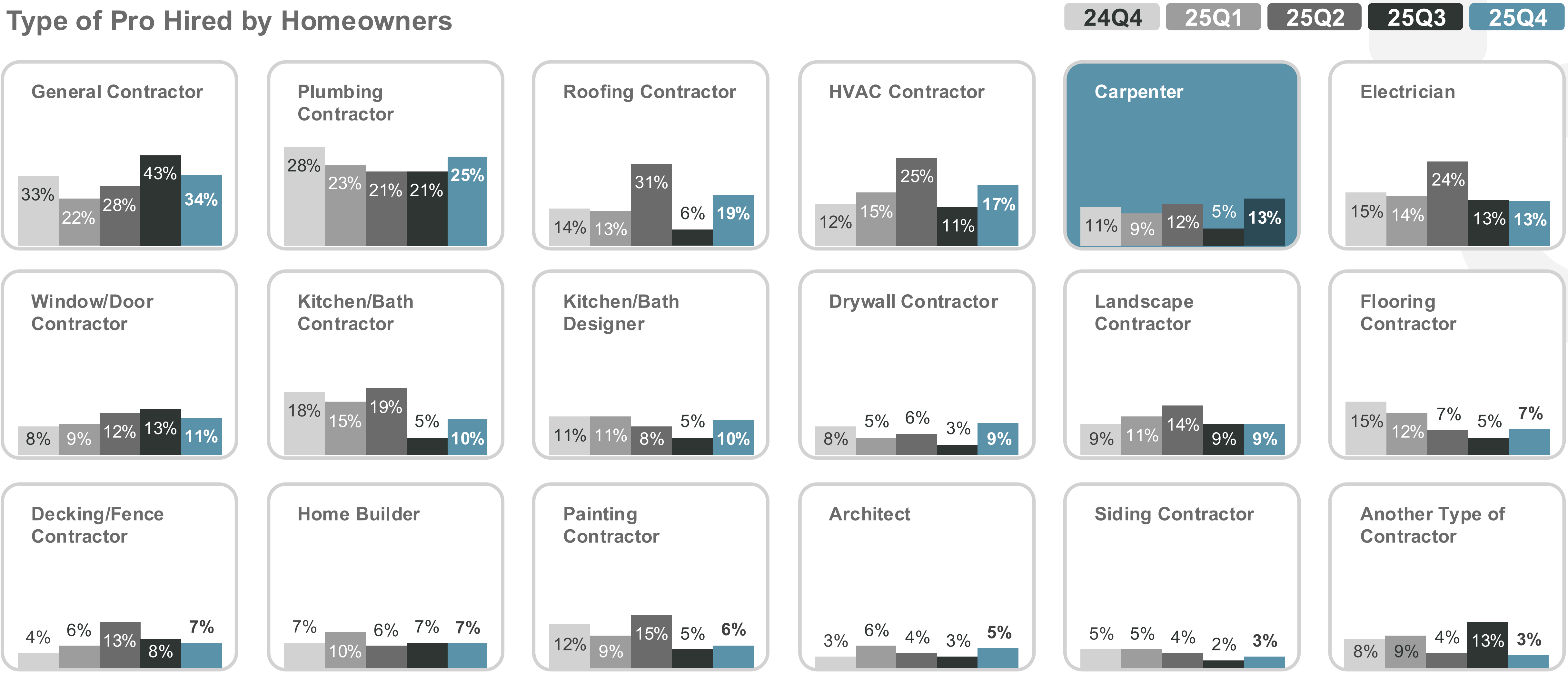
Contractors cite availability and delivery timelines as top challenges when working with suppliers. Lack of support continues to grow.



Source: Q4 2025 HIRI/TFG Contractor Activity Tracker

Carpenter hiring rebounded back to similar levels seen throughout 2025.

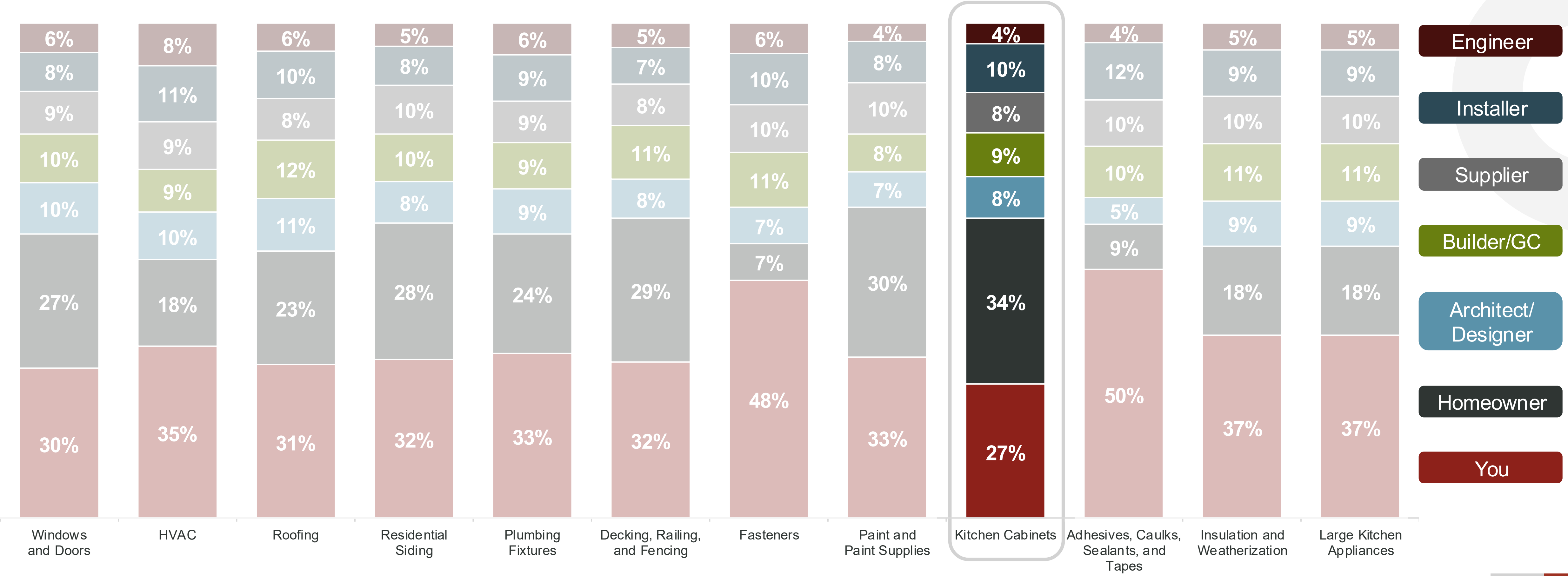
Type of Pro Hired by Homeowners



Source: Q4 2025 HIRI/TFG Homeowner Activity Tracker

When choosing products, Pros rely most on their own judgement, with homeowners also carrying considerable weight, especially in finish categories.

Influencers on Product Decisions



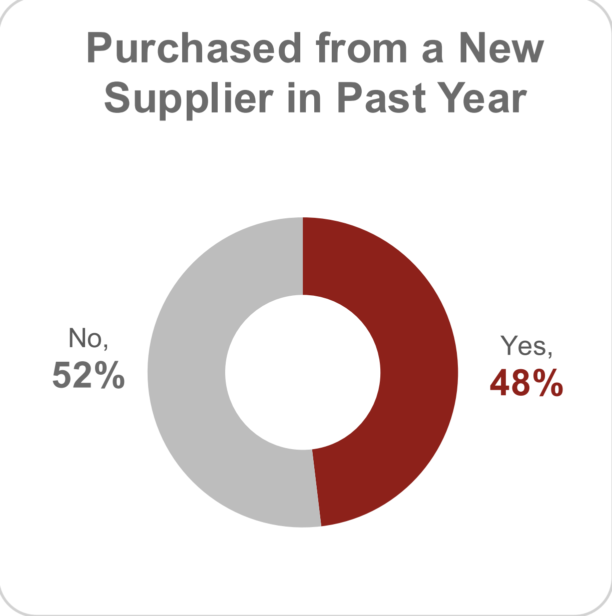
Q. Using 100%, what percentage of the time do each of these have on your [PRODUCT] decisions? (Power Tools and Hand Tools Excluded)

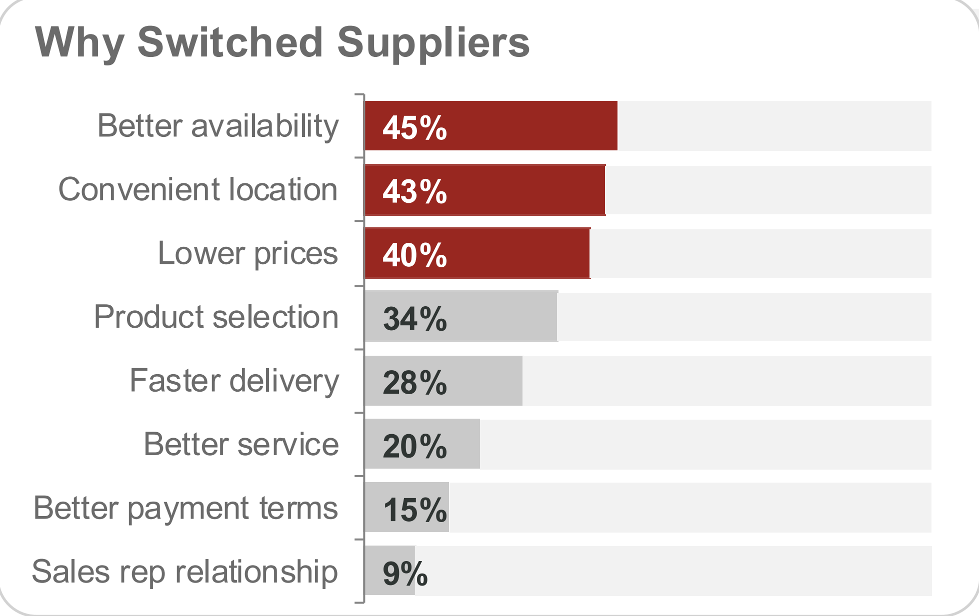
Pros Experiment, but Loyalty Pulls Them Back

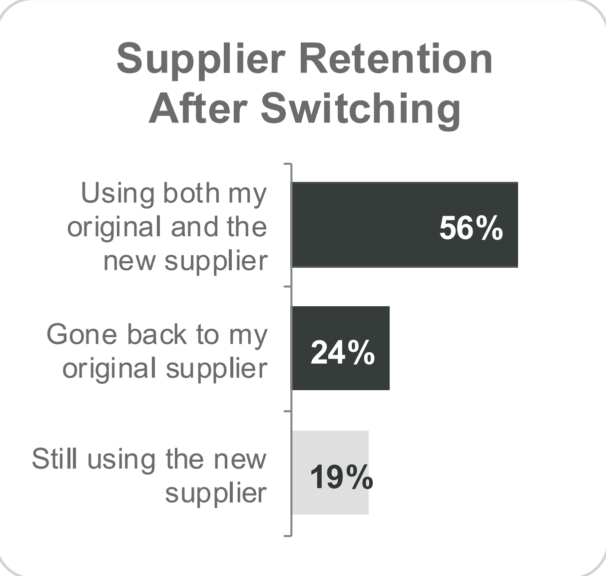
Nearly half of Pros tried a new supplier in the past year, driven mainly by availability, location, and price.

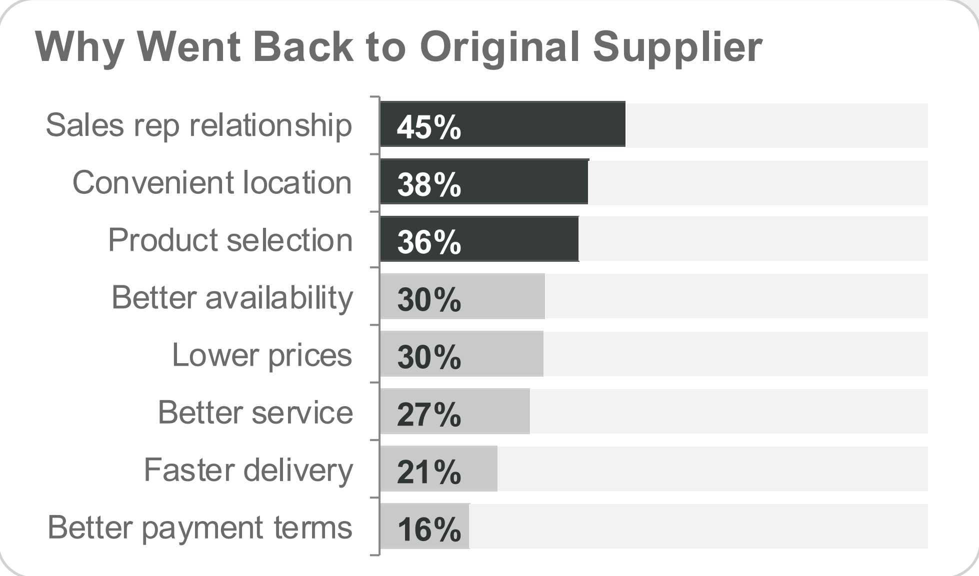
However, many ended up returning to their original source, emphasizing the strength of existing relationships.

Switching is situational. Relationships are durable.









Q83. In the past year, have you purchased building products or materials from a new supplier?
Q84. (If switched) Why did you switch suppliers?
Q85. (If switched) Have you continued to use the new supplier you've tried, or did you go back to your original supplier?
Q86. (If switched) Why did you go back to your original supplier(a)?

Pros look to their suppliers and are loyal to them more than a given brand.

Cabinet decisions are highly collaborative, with homeowners exerting outsized influence alongside pros – making indecision and budget pressure more pronounced than in many other building categories.

Over half of Pros will switch to a different supplier before switching to a different brand.

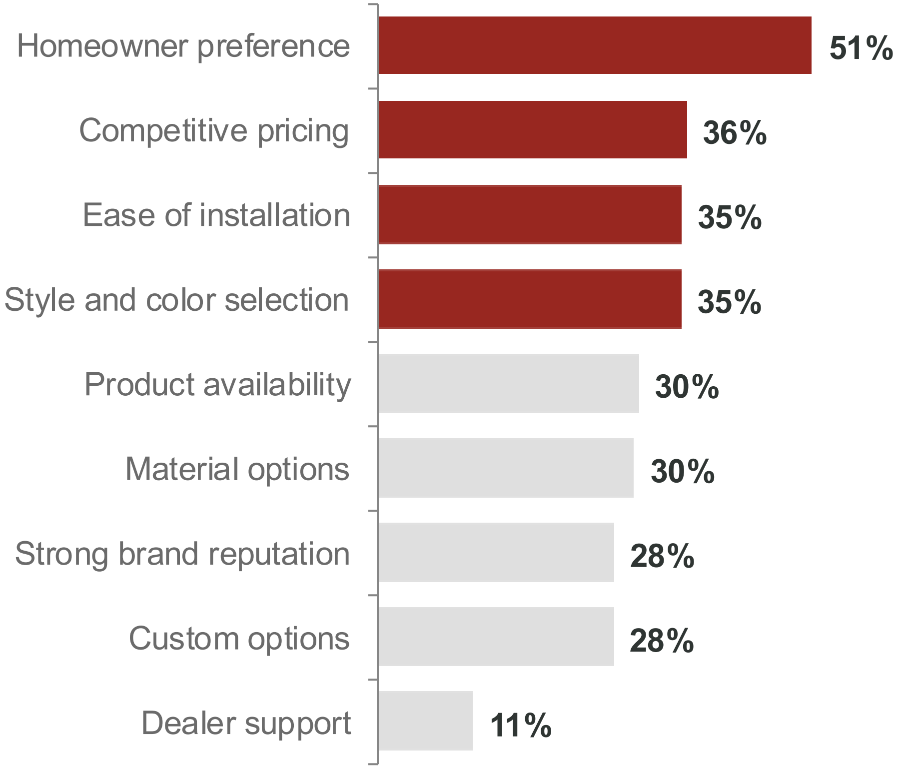
Brand Insights

Brand Matters More Than Supplier

Kitchen cabinet brand choice is shaped by homeowner preference.

Pros mostly use preferred kitchen cabinet brands, switch suppliers before switching brands, and stay loyal even when costs rise.

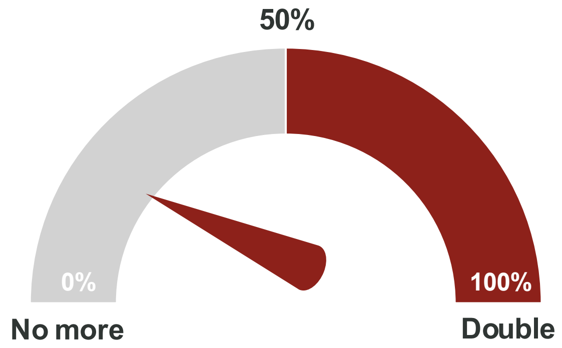
Factors Influencing Kitchen Cabinet Brand Choice



Percent of Time Non-Preferred Brand is Used

24%

Percent Price Increase Would Pay Before Switching Brands



19% More

Action if Preferred Supplier No Longer Carries Preferred Brand

Q63. What are the top three reasons you continue to purchase, install, or specify your preferred kitchen cabinet brand? Select up to 3.
Q65. What percentage of the time do you purchase, install, or specify a kitchen cabinet brand that is NOT your preferred brand?

Q66. If your preferred supplier stopped carrying your preferred brand of kitchen cabinet, what would you most likely do?
Q67. What percentage price increase would you pay for your preferred brand of kitchen cabinet before switching brands?

Generalists' Brand Drivers: Quality First

Home Builders
Residential GC / Remodeler
Commercial GC / Builder

Which of the following are most important to you when selecting building product brands?

		Home Builders	Residential GC / Remodeler	Commercial GC / Builder
1.	High Quality	88%	88%	86%
2.	Availability	67%	63%	58%
3.	Low Price	37%	51%	33%
4.	Warranty	47%	38%	36%
5.	Brand Reputation & Familiarity	39%	44%	40%

6. Ease of Use
7. Product Reviews
8. Manufacturer Support
9. Wide Range of Products
10. Word of Mouth Recommendation
11. Supplier Support
12. Sustainable/Environmentally Friendly
13. Sold Through Preferred Supplier
14. Manufacturer Loyalty Program
15. Supplier Loyalty Program

Source: 2026 Building Products Customer Guide

Specialists' Brand Drivers: Quality First

Residential
Commercial

Which of the following are most important to you when selecting building product brands?

		Residential	Commercial
1.	High Quality	86%	81%
2.	Availability	62%	58%
3.	Low Price	53%	35%
4.	Warranty	40%	53%
5.	Brand Reputation & Familiarity	36%	43%

6. Ease of Use
7. Product Reviews
8. Manufacturer Support
9. Wide Range of Products
10. Word of Mouth Recommendation
11. Supplier Support
12. Sustainable/Environmentally Friendly
13. Sold Through Preferred Supplier
14. Manufacturer Loyalty Program
15. Supplier Loyalty Program

Source: 2026 Building Products Customer Guide

Architects' Brand Drivers: Quality is Crucial

Which of the following are most important to you when selecting building product brands?

		Total	Revenue < $2M	Revenue > $2M
1.	High Quality	90%	85%	97%
2.	Brand Reputation & Familiarity	49%	41%	49%
3.	Manufacturer Support	48%	57%	46%
4.	Supplier Support	44%	43%	51%
5.	Availability	38%	28%	36%

6. Ease of Use
7. Warranty
8. Sustainable / Environmentally Friendly
9. Sold Through Preferred Supplier
10. Low Price
11. Manufacturer Loyalty Program
12. Supplier Loyalty Program
13. Product Reviews

Source: 2026 Building Products Customer Guide

Cabinet reliance on the housing market is clear but *stay focused* on customer trends to win.

Housing is Steady:
Housing starts are not as high as we would like, but SF Growth is expected. Combined with Interest rate declines, and an aging housing stock. Spend rates also support a modest growth outlook.

Monitor policy changes, supply factors, income metrics, and the impact on housing.

Attitudes and Behaviors:
Homeowners want to do projects but remain uncertain about timing Value proposition will be key to increasing conversions.

Pros must expect to face customer indecision, so provide guidance early on. Plan for product availability issues, pricing options to address homeowner needs, and nurture supplier relationships.

Distribution Matters:
Brands and suppliers must offer breadth and depth to provide pricing options and meet availability requirements. Both remain critical in a flat market where budget and timelines matter.

To maintain loyalty, brands must ensure high quality products reach suppliers on time, in the quantities needed, at price points that achieve their budgets.

THE
Farnsworth
GROUP

Custom Research for Building Products

Remove the Risk in Your Next Decision

Change is risky. That's why you need more than just the numbers to make the right decision. Get deep insights with useful recommendations from research tailored for YOU backed by over 35 years of building product industry expertise.

Book Your Consultation

Grant Farnsworth
303 886 5289
gfarnsworth@thefarnsworthgroup.com

Adam Mowrey
412 720 9447
amowrey@thefarnsworthgroup.com

Taylor Pence
317 241 5600 ex 110
tpence@thefarnsworthgroup.com

Industry Focused.
Custom Research.

Learn More About Our Services

Building. Home Improvement. Lawn & Ranch.

Customer Behavior & Attitudes

- Profile customer for effective targeting
- Quantify product usage to define market opportunity
- Prioritize selection criteria to know what you must deliver
- Learn where they shop, when and why for marketing and sales opportunities throughout the path to purchase

Product Development

- Explore product uses and needs to establish viable concepts
- Validate concepts to increased success and adoption at launch
- Define price & feature combinations to win at point of sale
- Determine preferred messaging and packaging to attract buyers

Brand Health & Performance

- Monitor brand performance to measure marketing success
- Capture brand perceptions to define market position
- Understand brand equity to improve category growth success
- Define brand usage to determine share opportunity

Market Sizing & Structure

- Define total product sales volume to determine market potential
- Define brand share to determine acquisition opportunity
- Define product distribution structure to inform channel strategy
- Define share by customer type to develop marketing and sales strategy

For over 35 years, we have dedicated our business to understanding consumers, professionals, and suppliers in specific industries.

Our industry knowledge paired with research expertise uniquely equips us to deliver research solutions that get you insightful answers to your specific needs.

THE Farnsworth GROUP

Cabinetry: Design & Market Trends

thefarnsworthgroup.com

6640 Intech Blvd, #100

Indianapolis, IN 46278