



and Contract Market



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profitable opportunities for Canadian furniture exporters.

Market Trends

A burgeoning market trend within the contract furniture industry is the demand for SOHO (small office/home office) furniture. Industry experts indicate that the U.S. SOHO market is growing faster than any other segment within the office furniture market. With a population close to that of Canada and above-average median family incomes, the Midwest states present a higher probability of home office users, which means greater opportunities for Canadian exporters of SOHO furniture. Ready-to-assemble furniture is especially popular, and a big seller is the self-contained home office-in-an-armoire.

Ergonomic furniture has also become a very lucrative sub-sector of the market in the Midwest, and throughout the United States. To improve health and safety in the workplace, several government and state regulatory agencies are considering establishing ergonomic standards.



As well, the escalating concentration of aging baby boomers in the U.S. has spurred construction of assisted-care facilities and senior housing. Illinois and Wisconsin have already seen dramatic increases in the number of new assisted-care and retirement facilities, and the trend is expected to continue.

Competitive Environment

Companies in the Midwest currently import most of their office furniture products from Asia and Europe, although contract furniture is typically purchased from companies with local representatives and a solid reputation in the market. Canadian furniture exporters should consider the U.S. market a natural extension of the domestic market, given the size, proximity to Canada, similarities in manufacturing and distribution, and preferential conditions created under NAFTA.

Opportunities

The office furniture business in the U.S. has become increasingly competitive. Today, a small number of large companies dominate the market. Best prospects for Canadian companies therefore exist in the expanding niche markets, such as SOHO (small office/home office), and higher-end office furniture. In particular, Canadian manufacturers that are able to offer a compact and inexpensive computer workstation can find great opportunities in this market.

Illinois remains the brightest area for sales of institutional

and contract furniture with much of the growth in new school construction. There is also an increasing amount of refurbishing and renovating occurring in the hotel/lodging industry. This can present flourishing opportunities to Canadian furniture companies capable of serving this market.

See Potential?

To learn more about these market opportunities, the competitive environment, and market entry strategies, please read the full report, *The Contract Furniture Market in the U.S. Midwest*. The report, prepared by the Market Research Centre of the Trade Commissioner Service, is available on-line at

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The Office and Contract Furniture Market

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