

# FURNITURE & HOME FURNISHING STORES: Downtown Federal Way

## INTRODUCTION

The North American Industry Classification System (NAICS) identifies establishments engaged in the retailing of new furniture or home furnishings under the NAICS code 442.

The furniture and home furnishings stores subsectors consist of these industry groups:

- Furniture Stores, NAICS 4421
- Home Furnishings Stores, NAICS 4422

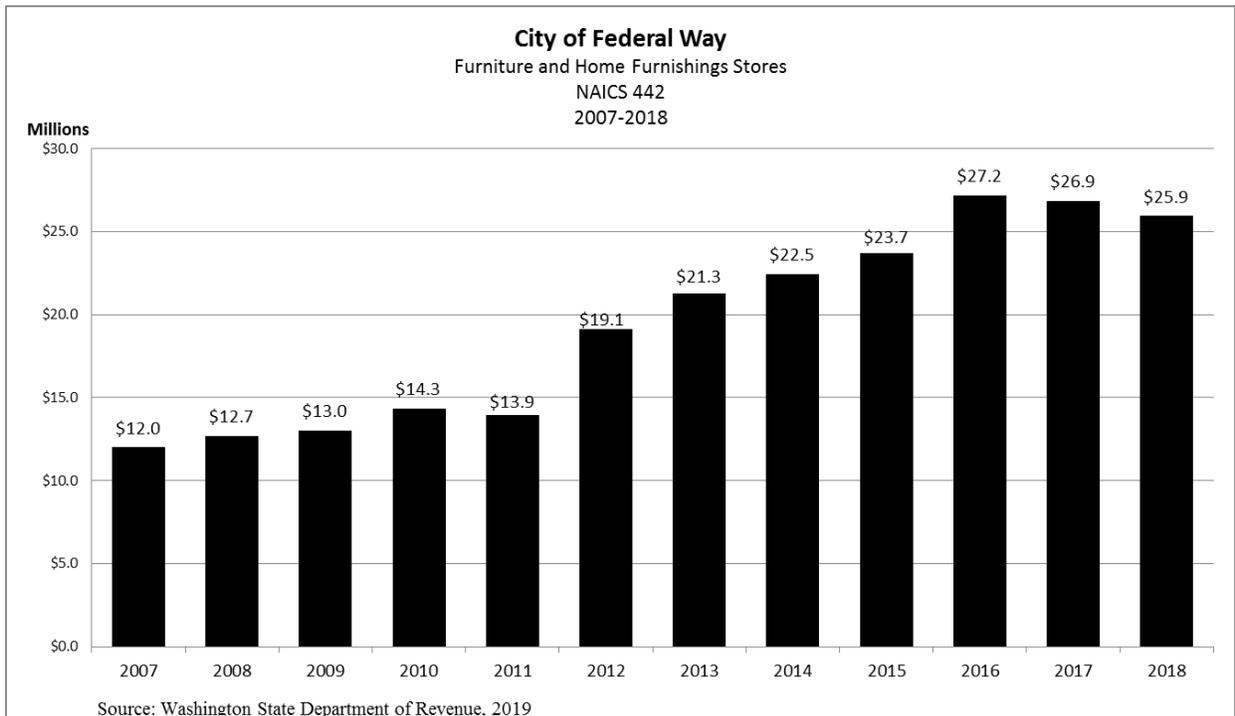
For the purpose of this analysis, the three digit code 442 was used to capture the broad array of businesses for this review.

## BACKGROUND

According to the US Dept. of Commerce, Bureau of Economic Analysis, in concert with the Census Bureau’s Annual Retail Trade Survey, this subsector recovered nationally from pre-recessionary levels in 2014 and has been on a steady growth curve driven by a strong economy, with consumer spending on furniture reaching \$114.2 billion in 2018, up 6.7 percent, from 2017 according to the US Bureau of Economic Analysis (BEA).

The National Retail Federation forecasts a four percent growth for the subsector in 2019, a lower percentage from 2018.

Taxable retail sales from 2007 to 2018 in Federal Way, specifically before and through the recovery from the “Great Recession,” have increased every year from 2008 until 2016, with a slight dip



in 2011. It appears the Great Recession had little if any impact on the sector. The lowest point was 2007 at \$12.0 million. There was a peak when the annual taxable retail sales increased by \$3.5 million to \$27.2 million in 2016. However, over the past two years, retail sales have declined. In 2018, the annual taxable retail sales for this subsector were \$25.9 million. See chart above.

## **MARKET**

Downtown Federal Way has 11 furniture and home furnishing establishments. Of those establishments, nine are national chains and two are local retailers. Of the 11 establishments, seven sell primarily furniture and four sell home furnishings.

Pier 1 and Discount Direct specialize in furniture. While Home&Home, HomeGoods, Tuesday Morning, and Quality Rugs and Home Furnishings offer a large selection of home furnishings. Mattress Firm and Mattress Depot USA are the two national mattress store chains in downtown. Additionally, international furniture producers such as the Korea-based furniture brand EMONS and the Japanese-based massage chair brand Inada have opened up retail spaces in H-Plaza.

### **Recent Store Closures**

Sears filed for bankruptcy in October 2018. The former Sears facility was located in The Commons Mall and currently remains vacant.

### **Recent Store Openings**

In 2017, the Korean-focused home décor and houseware store Home&Home opened along with Teletron.

## **TRENDS**

In recognition of the product certainty, online retailers are looking to become more like brick and mortar stores when it comes to furniture. Amazon has announced their intention to open brick and mortar stores for furniture as well as leverage the distribution of local retailers through a new local marketplace model.

Augmented Reality (AR) is another trend in Furniture and Household Furnishings. It has the ability to show what furniture looks like in a customer's home, and specifically if it will fit in a certain space. Companies such as the online retailer Wayfair are investing heavily in AR as it is expected to be a valuable tool for consumers. According to a survey completed by the International Council of Shopping Centers (ICSC) in 2017, 55 percent of people want to virtually view how home furnishings and accessories fit in a home before they make a purchase.

Unlike the typical furniture shopper of previous generations, more consumers today value affordability over durability. Instead of buying high-dollar pieces that will last 20 years or more, consumers, specifically millennials and Generation Z, are looking for more cost-effective furniture that they can use for a few years before moving on to something else.

A growing interest in sustainability issues and the increased use of technology among millennials and other generations are also leading manufacturers to design and produce environmental and tech-friendly pieces. Other consumer segments making an impact on furniture manufacturing include the increasing number of renters and single-person households. These groups are more likely to demand furniture that is affordable, space saving, and multifunctional.

## **SOURCES**

- US Dept. of Commerce, Bureau of Economic Analysis
- Dept. of Labor, Bureau of Labor Statistics
- US Dept. of Commerce, Census Bureau, Annual Retail Trade Survey
- Federal Reserve Economic Data, Federal Reserve Bank, St. Louis
- City of Federal Way
- ESRI
- International Council of Shopping Centers
- National Retail Federation
- North American Industry Classification System
- Washington State Department of Revenue

# Location of Furniture and Home Furnishings Stores



This map is intended for use as a graphical representation. The City of Federal Way makes no warranty as to its accuracy.  
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## Furniture and Home Furnishing Stores

Businesses in this category sell new furniture and home furnishings from fixed point-of-sale locations. Establishments in this subsector usually operate from showrooms and have substantial areas for the presentation of their products. Many offer interior decorating services in addition to the sale of products. These establishments include retailers that sell furniture, floor coverings, and window treatments. Downtown Federal Way currently has 11 businesses in this category which total about 130,000 square feet.

Year Built is the calendar year in which at least 50 percent of the original construction was complete. Effective Year Built is the adjusted year built taking into account any subsequent new construction or major rehabilitation

### 1. Pier 1

2424 S 320th St  
Located: Gateway Center  
Chain retailer providing an assortment of unique imported furniture, home-decor items & tableware.  
Square Footage: 12,640 (incl. AT&T)  
Year Built: 1984 (Eff. Year: 2000)

### 2. Quality Rugs and Home Furnishings

2144 S 314th St  
Located: Hillside Plaza  
Home furniture store with classic & contemporary styles, plus rugs, bedding & decorative pieces.  
Square Footage: 3,000  
Facility Built: 1988

### 3. Home&Home

31515 Pete von Reichbauer Way S  
Located: H-Plaza  
Home&Home is a Korean-focused one stop family house ware and home décor department store that opened up in Federal Way in 2017  
Year Built: 1990 (Eff. Year: 2000)

### 4. Teletron v

31515 Pete von Reichbauer Way S  
Located: H-Plaza  
Teletron is the fastest growing consumer furniture and electronics store in the Asian-American community.  
Year Built: 1990 (Eff. Year: 2000)

### 5. EMONS

31515 Pete von Reichbauer Way S  
Located: H- Plaza  
Korean based furniture retailer.  
Year Built: 1990 (Eff. Year: 2000)

### 6. Inada

31515 Pete von Reichbauer Way S  
Located: H- Plaza  
Founded in 1962 in Osaka, Japan, Inada is the world's leading manufacturer of automatic massage chairs.  
Year Built: 1990 (Eff. Year: 2000)

### 7. HomeGoods

1718 S 320th St  
Located: SeaTac Village  
Home-decor chain stocking a variety of furnishings, bedding, kitchenware, holiday goods & more.  
Square Footage: 22,774  
Year Built: 1976 (Eff. Year: 1990)

### 8. Tuesday Morning

1718 S 320th St  
Located: SeaTac Village  
Chain retailer with a discounted selection of brand-name home furnishings, small appliances & gifts.  
Square Footage: 10,060  
Year Built: 1976 (Eff. Year: 1990)

### 9. Mattress Firm

31610 Pacific Hwy S  
Mattress Firm Inc. is an American retailing company and mattress store chain founded on July 4, 1986..  
Square Footage: 10,000  
Year Built: 1980 (Eff. Year: 1995)

### 10. Mattress Depot USA

31653 Pacific Hwy S  
Located: Pavilions Centre II  
Family-owned retailer carrying a selection of brand-name mattresses, plus linens, pillows & more.  
Square Footage: 3,000  
Year Built: 2003

**11. Discount Direct Furniture & Mattresses**

1209 S 320th St

Located: Sunset Square

Everyday low prices. No gimmicks, no phony sales.

Seattle's local furniture store with 6 locations in the Puget Sound.

Square Footage: 31,228

Year Built: 1977 (Eff. Year: 1985)