



Kitchen & Bath Market Index (Q3 2025 KBMI)

NKBA | KBIS

JOHN BURNS
RESEARCH & CONSULTING

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[Cover image] Design: Gina Bauerle
Photo: Eric Lucero of Eric Lucero Photography

[Page 2 image] Design: Karly Ganczar of Style Kitchen Design
Photo: Brian Rudolf of Empire Photography



About this report

Conducted jointly by the National Kitchen & Bath Association and John Burns Research and Consulting, the *Kitchen & Bath Market Index (KBMI)* examines current residential kitchen and bath industry demand, future demand expectations, and issues and challenges industry professionals face in their businesses. The 3Q25 report is based on findings from 530 members of the NKBA community across four industry segments, which are listed below:



Design



**Building and
Remodeling**



**Retail
Sales**



Manufacturing

The 3Q25 Kitchen & Bath Market Index survey ran from September 22 to October 2, so responses, commentary, and sentiment reflect the latest shifts in the US residential kitchen and bath industry.

Design: Ashley de Boer of Ashley de Boer Interiors
Photo: Tina Kulic of Ema Peter Photography

Overview of the NKBA / John Burns Kitchen & Bath Market Index (KBMI)



The Kitchen & Bath Market Index (KBMI) measures market growth in the US residential kitchen and bath industry. As a composite diffusion index, ratings above 50 indicate industry **expansion**; ratings below 50 indicate industry **contraction**.

The KBMI is calculated as a weighted average of 3 subindices.



Current Activity Index

Sales growth in the current quarter vs. the prior year



Industry Health Index

Sentiment on the economic health of the K&B industry



Near-Term Activity Index

Expected sales growth in the upcoming quarter (next 3 months)

Conducted quarterly, the KBMI provides a microeconomic perspective on U.S. residential kitchen and bath activity, offering performance metrics and insights into the sentiment of firms that provide design services and sell K&B products.

The Kitchen & Bath Market Index is comprehensive, tracking four industry segments

Responses from these firms include information about US residential K&B projects and sales only (excludes commercial activity; includes US sales information from major international suppliers).

Products and materials covered in this survey:

- cabinets
- vanities
- countertops
- major appliances
- faucets
- plumbing fixtures (shower units, sinks, bathtubs, toilets)
- tile
- lighting
- mirrors



Design

- Kitchen designer
- Bath designer
- Interior designer
- Architect
- Draftsman
- Planner



Building and Remodeling

- Design-build
- Builder
- Remodeler
- Installer
- Fabricator
- Developer
- Trades professional



Retail Sales

- Dealer
- Multi-branch retailer
- Showroom
- Online kitchen and bath seller



Manufacturing

- Manufacturer
- Cabinet shop
- Supplier
- Wholesale distributor
- Manufacturers' rep



Executive summary

Kitchen and bath sales tumble in 3Q25, driving the KBMI rating to its lowest level since 2020.

The Kitchen & Bath Market Index (KBMI) dropped to 50 out of 100 in 3Q25, indicating a weakening market for kitchen and bath products and services.

A rating of 50 indicates neutral market conditions, where the number of firms reporting expansion equals those reporting contraction.

Homeowners curb K&B spending

- Kitchen & bath (K&B) **industry sales declined to -4%** in 3Q25, with all four industry segments reporting weaker sales year-over-year.
- **Consumer uncertainty remains a top constraint** on near-term growth in the K&B market. As a result, project cancellations and postponements stayed elevated in 3Q25, while many homeowners moving forward with remodels scaled back project size or downgraded materials and finishes to reduce costs.

Luxury spending more resilient

- Compared to 2Q, industry pros report **K&B purchasing trends among luxury consumers remained unchanged**, while demand from mid-tier and value-oriented consumers weakened slightly.

Tariffs and rising costs tighten K&B margins

- K&B firms **increased the prices they charge for products and services** by an average of **4.6%** year over year.
 - Suppliers **raised product prices** to K&B retailers by **6.1% YOY in 3Q25**, up from 4.6% in 2Q25, with the steepest increases reported for lighting and vanities.
- Despite these price hikes, **28% of industry firms reported lower gross margins YOY**, 55% were flat, and 17% saw gains—the highest share of margin declines in our survey history back to 2022.
- **Tariffs continue to pressure margins:** 70% of manufacturers reported margin impacts, and 54% said they could not fully pass on tariff-related cost increases.

Moderate growth expected in 2026

- Industry firms **anticipate mid-single-digit growth in their preliminary 2026 outlook**, reflecting cautious optimism.
- Manufacturing and design firms expect **premium consumer spending to remain resilient**.
- While some clients may pause projects, **stabilizing economic conditions and easing tariffs could support renewed demand** for K&B remodels and products.



Performance varied by K&B segment in 3Q25, leading to mixed outlooks for 2025 and 2026.



Design

KBMI Rating: **46.8** ↓

- Sales down **-8% YOY** in 3Q25.
- Project backlogs shrank to **1.8 months** in 3Q25 vs. 2.2 in 3Q24.
- Rate of projects currently being deferred remains elevated.
- Design firms expect **+1%** revenue growth in 2025, followed by a rebound to **+6%** growth in 2026.



Building and Remodeling

KBMI Rating: **51.4** ↓

- Sales down **-4% YOY** in 3Q25.
- Project backlogs averaged **3.0 months**, up slightly from 2.8 in 3Q24.
- Cancellations/ postponements ticked up in 3Q25 QOQ.
- Builders/remodelers expect **-1%** revenue decline in 2025, followed by **+1%** growth in 2026.



Retail Sales

KBMI Rating: **47.9** ↓

- Sales down **-3% YOY** in 3Q25.
- Foot traffic was down by **-3% QOQ**.
- Input costs rose by +6.1% YOY on average in 3Q, led by rising costs for lighting and vanities.
- Retailers expect **-1%** revenue growth in 2025, followed by **+3%** growth in 2026.



Manufacturing

KBMI Rating: **52.8** ↓

- Manufacturers' sales and orders were up **+1% YOY** in 3Q25.
- **70% say tariffs are putting pressure on margins**, with most unable to fully pass on cost increases.
- Manufacturing firms expect **+6%** revenue growth in 2025, and similar growth in 2026.

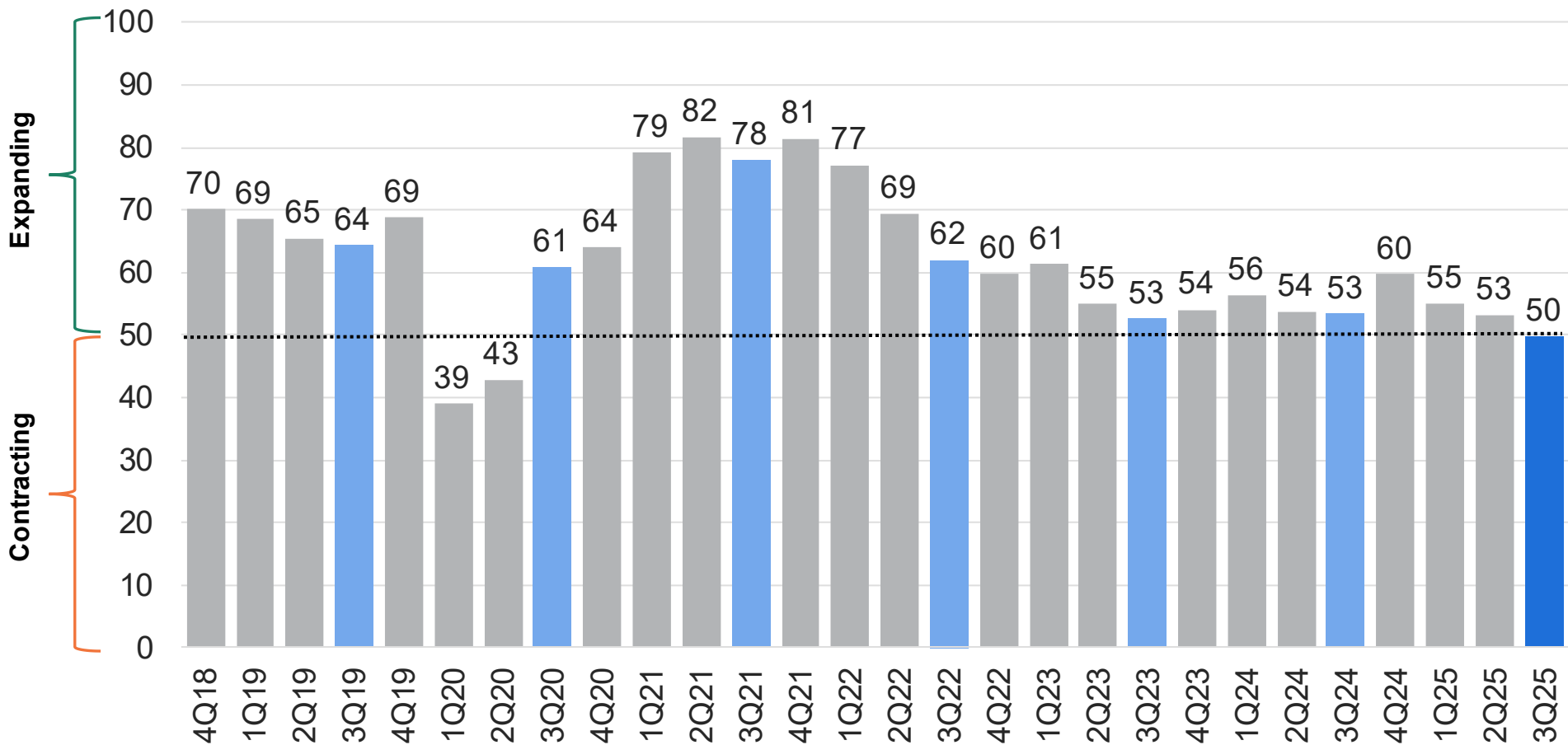
Note: KBMI ratings (**in green**) above 50 indicate industry expansion, while ratings (**in red**) below 50 indicate slowing activity.
Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

The 3Q25 KBMI declined to 50, indicating a weakening market for kitchen and bath products and services.



Kitchen & Bath Market Index (KBMI)

Market growth in the US residential kitchen and bath industry



KBMI Rating

50 out of 100

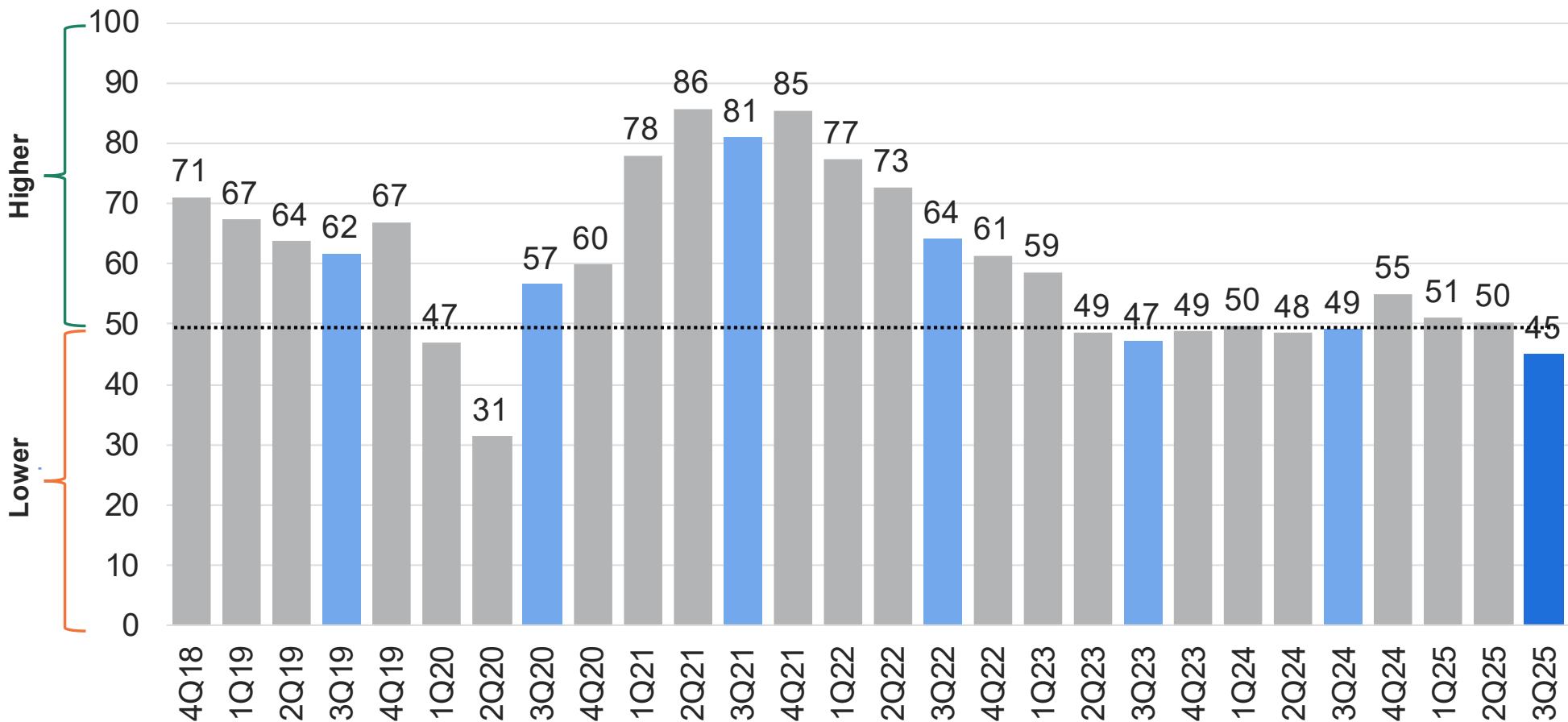
Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

Current kitchen and bath sales fell to their lowest level since 2020 amid soft housing market conditions.



Current Kitchen & Bath Activity (Past 3 Months)

Sales growth in the **current quarter** vs. the prior quarter



Current Activity Rating

45 out of 100



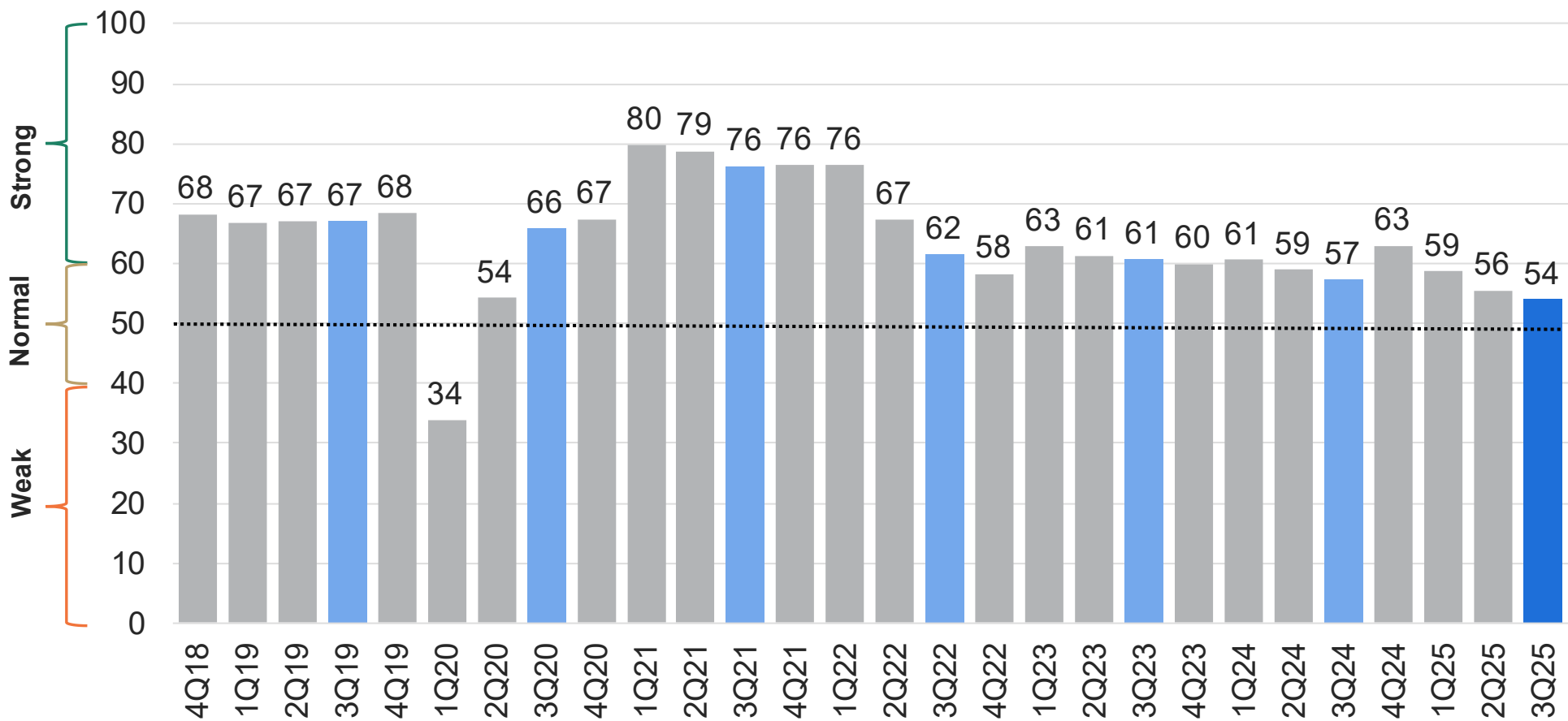
Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

Sentiment among K&B pros about the industry’s economic health has dropped to its lowest point since 2020.



Health of the Industry

Sentiment on the **economic health** of the K&B industry



Health of the Industry Rating

54 out of 100

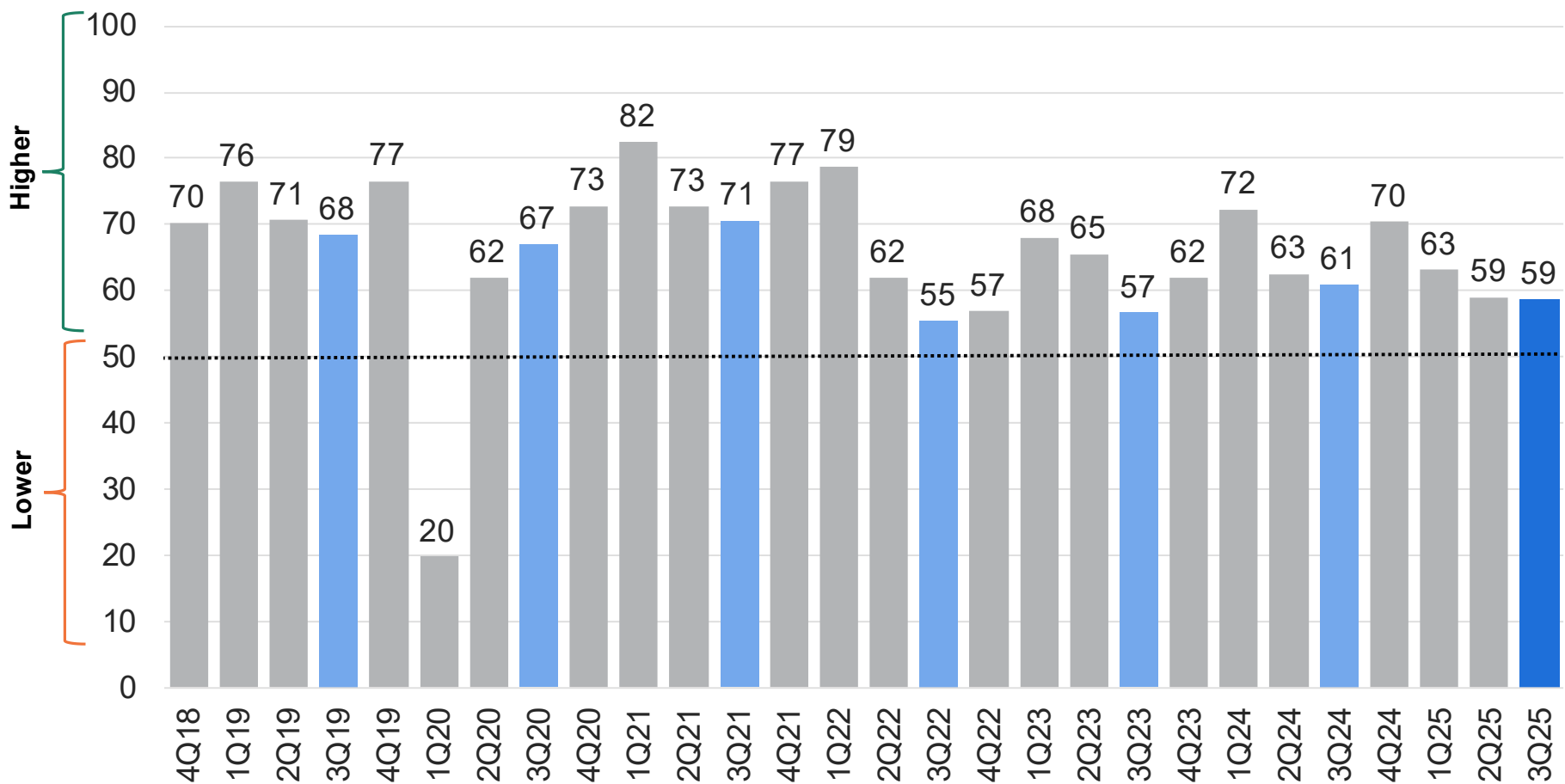


Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

The 4Q outlook remains cautiously positive despite softer conditions, reflecting expectations for modest improvement in consumer confidence.



Near-Term Kitchen & Bath Activity (Next 3 Months)
Expected sales growth in the upcoming quarter



Near-Term Activity Rating

59 out of 100

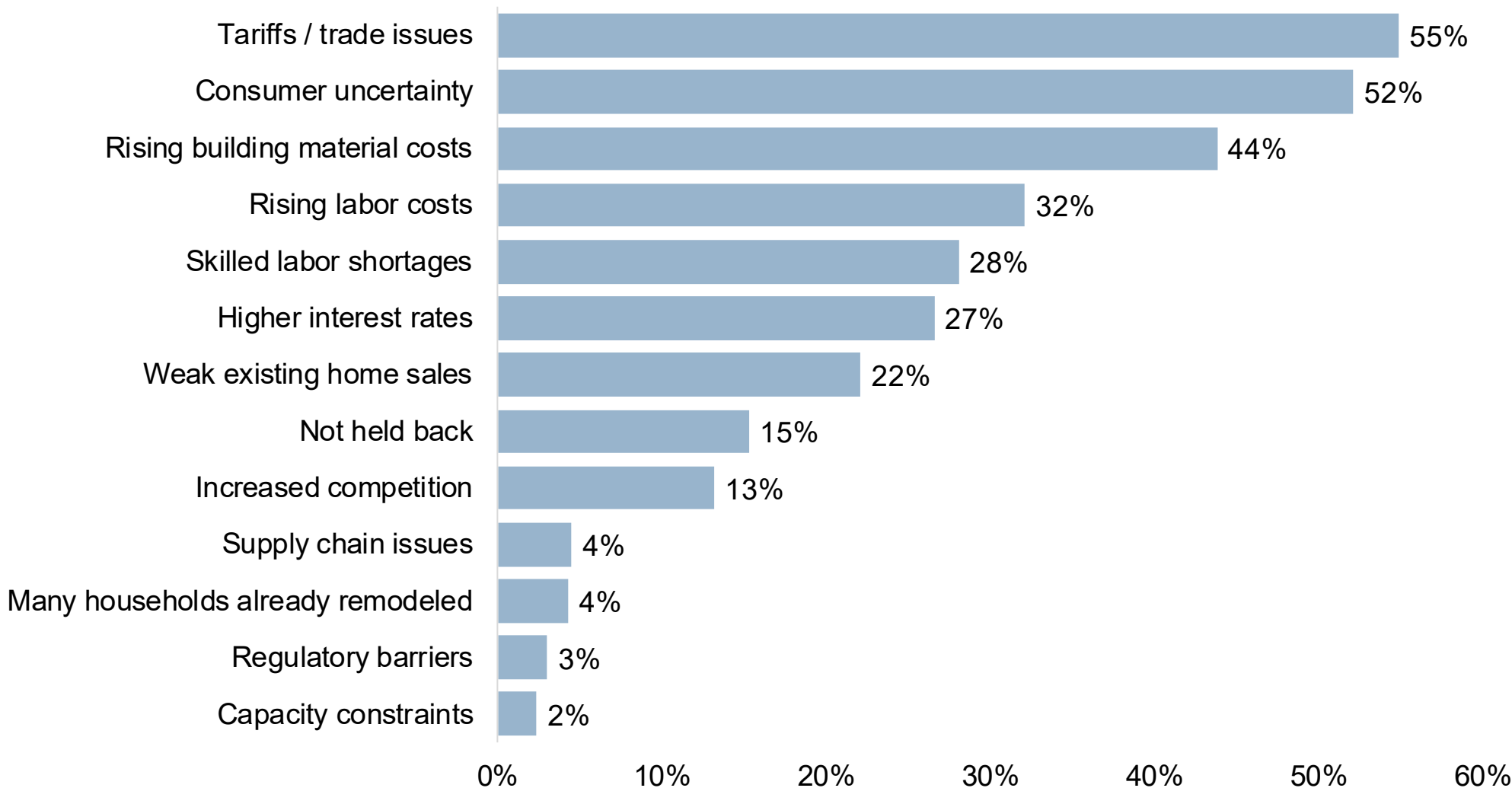


Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

Tariff-related concerns and consumer uncertainty remain the top constraints to near-term growth in the K&B market.

Kitchen and Bath Industry Constraints to Growth in 3Q25

Represents the share of K&B firms citing each of the following as a constraint to growth over the next six months

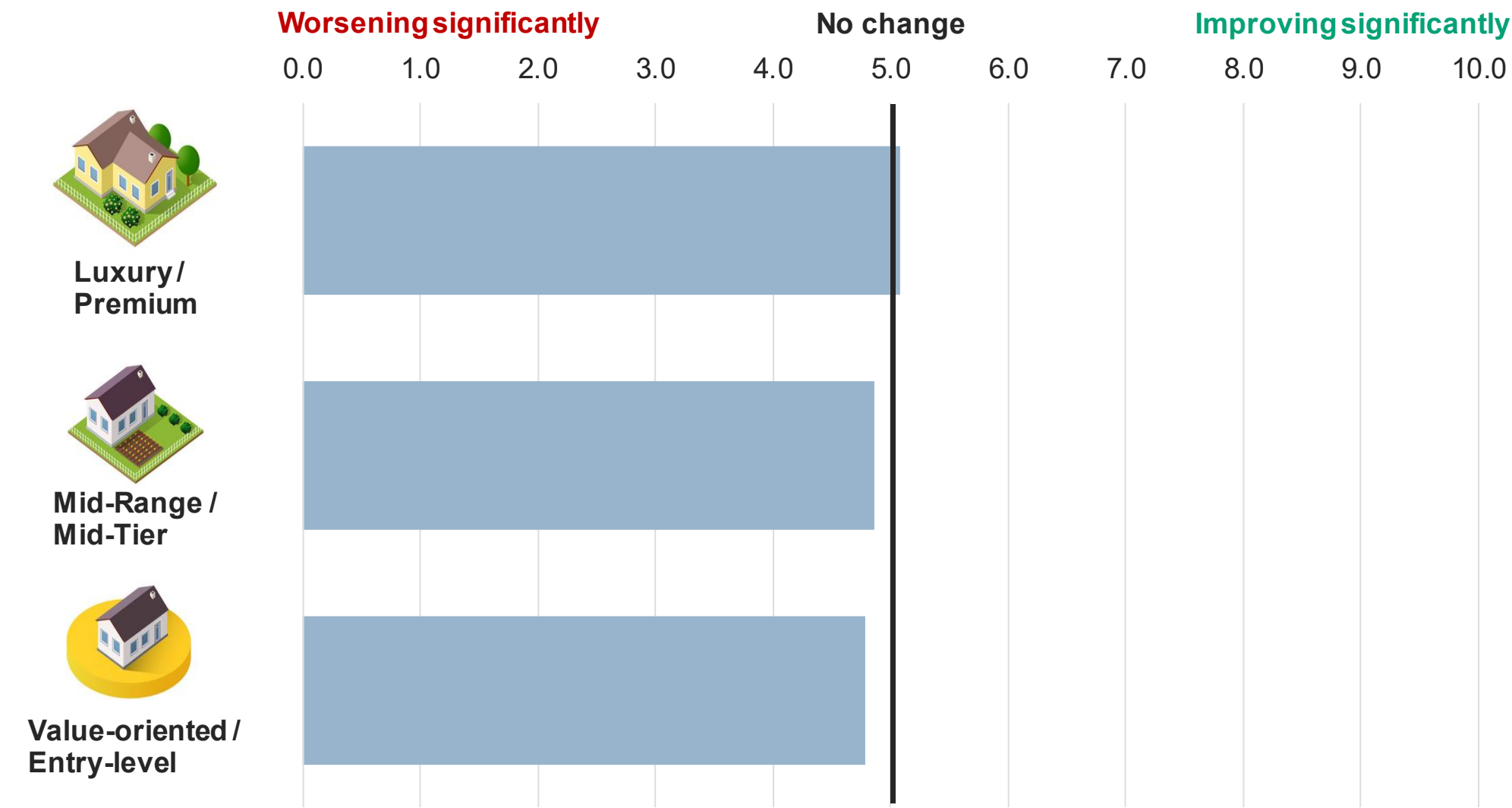


Note: Respondents were instructed to select "all that apply."
Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

Luxury/premium K&B consumers held steady in 3Q, slightly ahead of mid-tier and value segments.

Purchasing Trends by Consumer Segment

3Q25, quarter over quarter



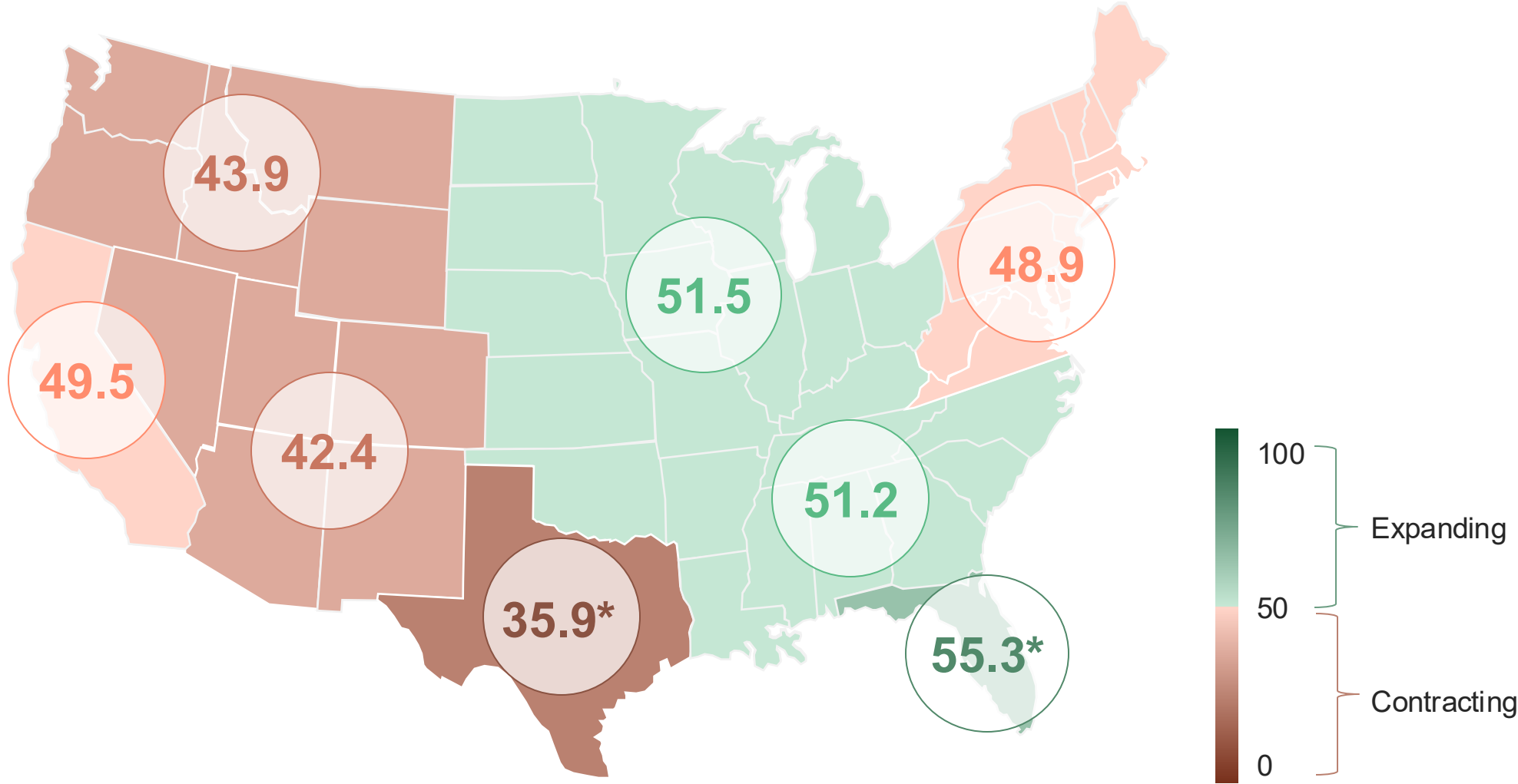
“ The luxury segment will continue to remain strong. Increased pricing pressure may negatively impact the middle/lower price point buyers.

- Showroom with multiple US locations

Sources: NKBA; John Burns Research and Consulting, LLC(Data: 3Q25, Pub: Oct-25)

The K&B industry contracted in the West and the Northeast. Florida and the middle of the country were bright spots.

Kitchen and Bath Market Index (KBMI) by Region (3Q25)



**Note: Sample sizes for Florida and Texas are small (N<30)*
Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)



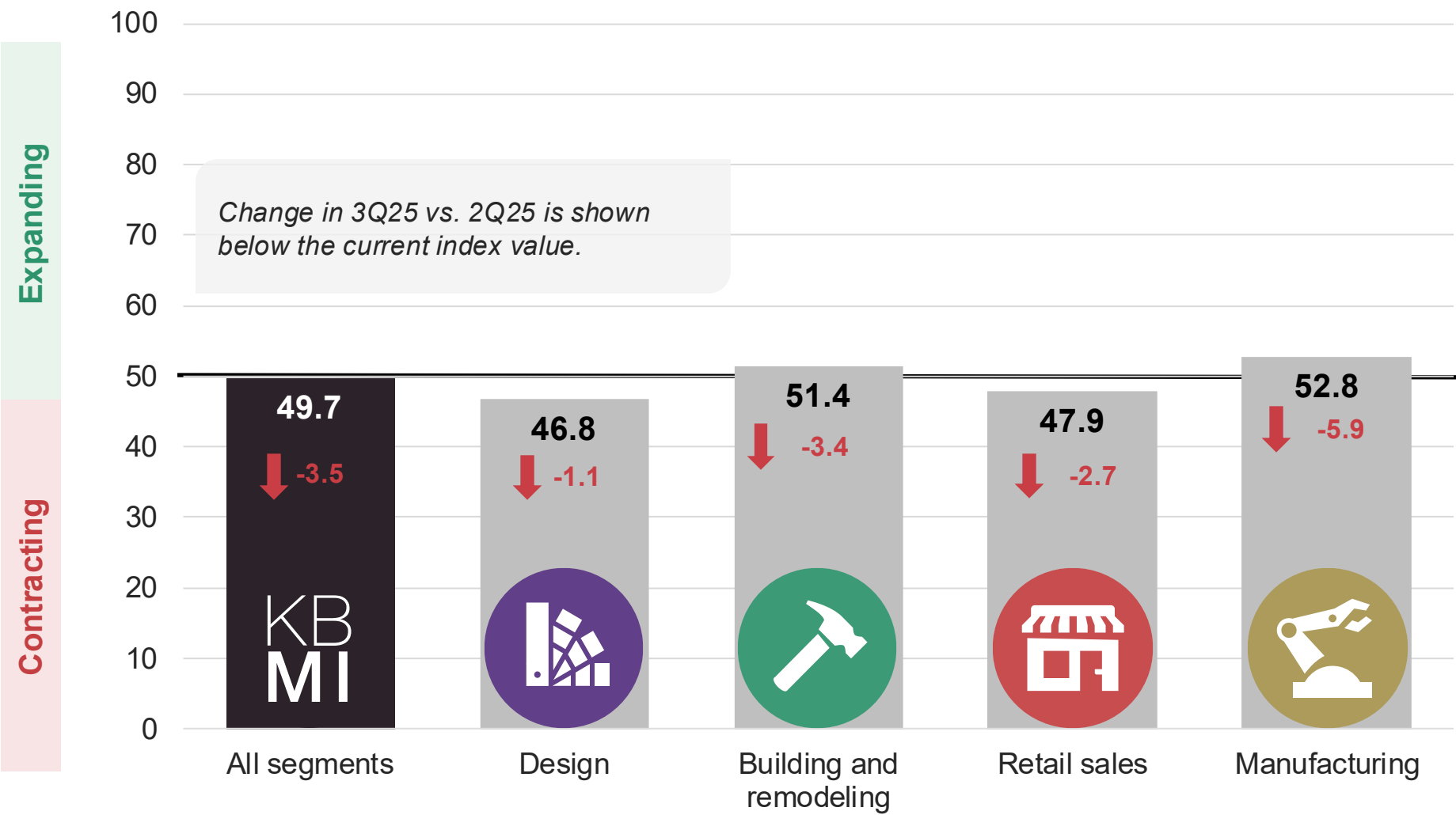
Index by segment

Design: James E. Howard, Co-Designer: Kelly Johnson | Photo: Alise O'Brien

KBMI ratings declined across all four K&B segments.

Kitchen and Bath Market Index (KBMI)

The KBMI is a composite diffusion index measuring current sales growth, industry health, and near-term growth expectations among US kitchen and bath industry professionals.



The KBMI rated 49.7 on a 100-point scale in 3Q25, down from 53.2 in the prior quarter.

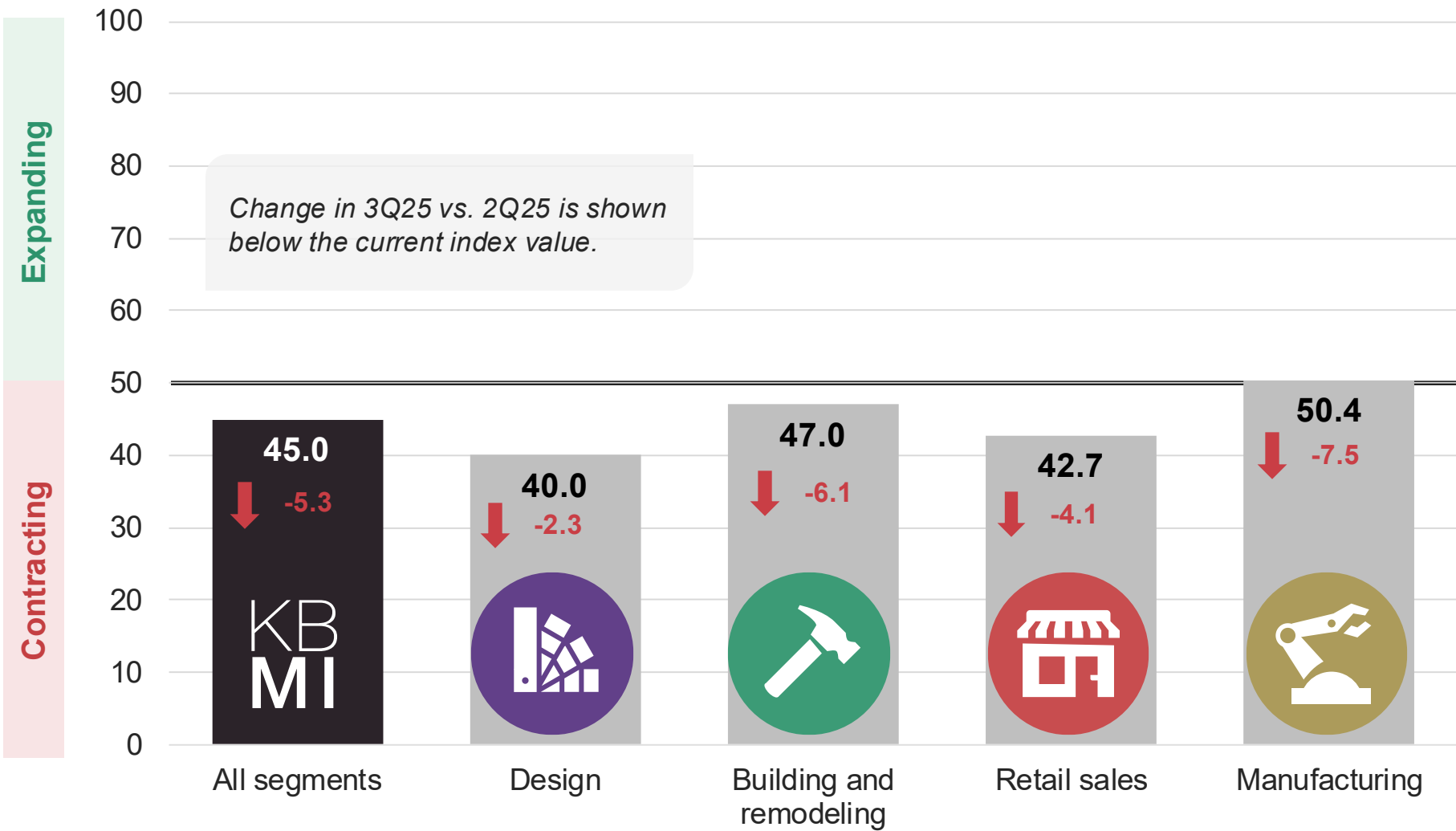
Note: Ratings above 50 indicate industry expansion, while ratings below 50 indicate slowing activity. Composite KBMI weights are 55% current conditions, 30% industry health, and 15% next-quarter growth. See Methodology section for more details.

Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

3Q25 current activity ratings weakened across all four segments.

Current Kitchen & Bath Activity Index (3Q25)

Rates **current quarter** (3Q25) residential kitchen and bath sales compared to 1 year ago (3Q24)



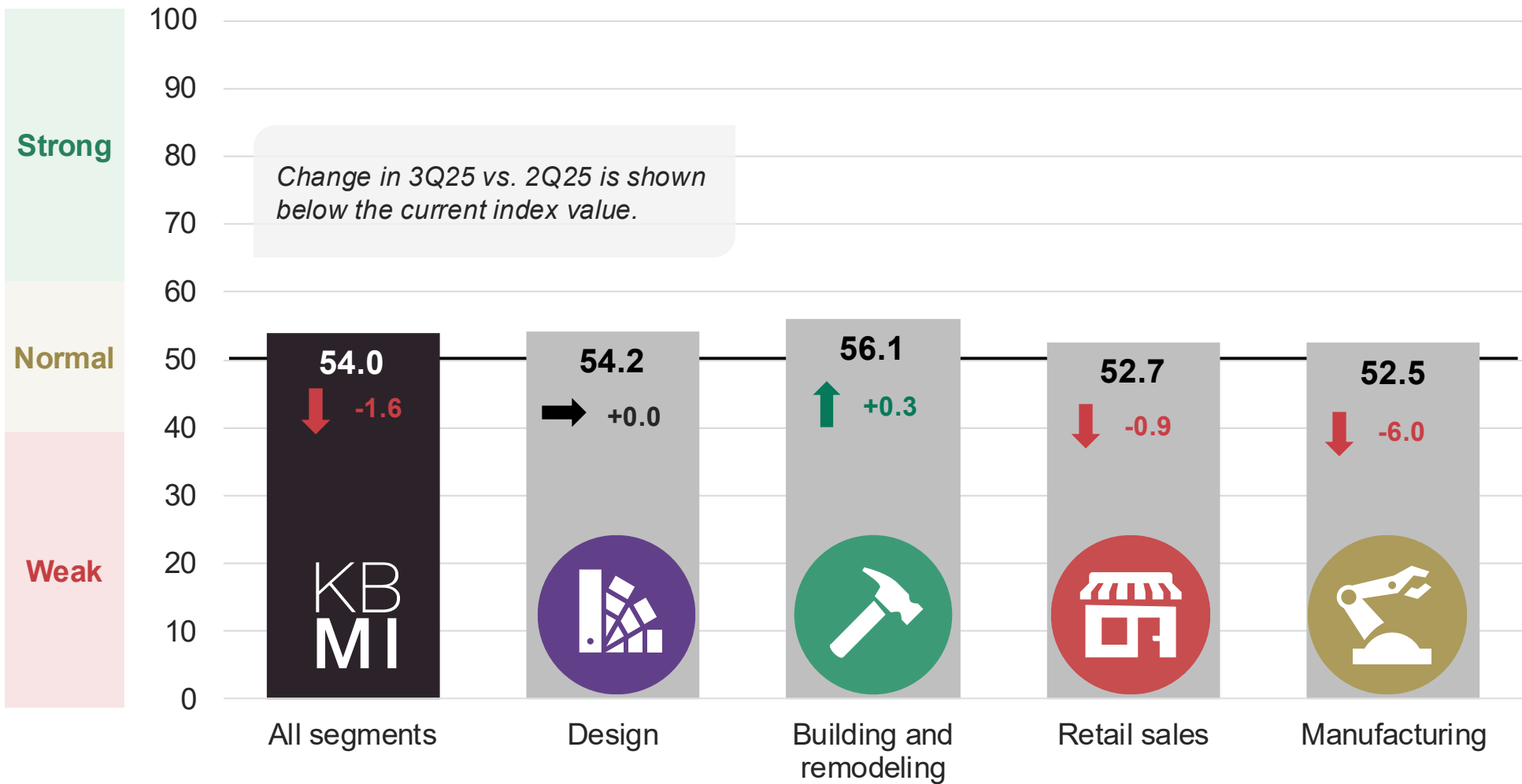
“ Uncertainty is going to keep demand down.
- Large cabinetry maker across multiple regions

Note: Ratings above 50 indicate industry expansion, while ratings below 50 indicate slowing sales activity compared to 1 year ago.
Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

K&B professionals downgraded industry health by two points in 3Q25.

Kitchen and Bath Industry Health Index (3Q25)

Measures kitchen and bath firms’ rating of the **overall health** of their industry segment, from extremely strong (100) to extremely weak (0).



With tariffs and elevated interest rates, confidence instilled by solid fundamentals (e.g., high home equity levels, aging homes, deferred projects) eroded further.

Continued uncertainty on both international and domestic trade are a concern as they will continue to slow business growth and reduce growth opportunities across the economy.

- Mid-sized K&B product manufacturer serving end markets across the US

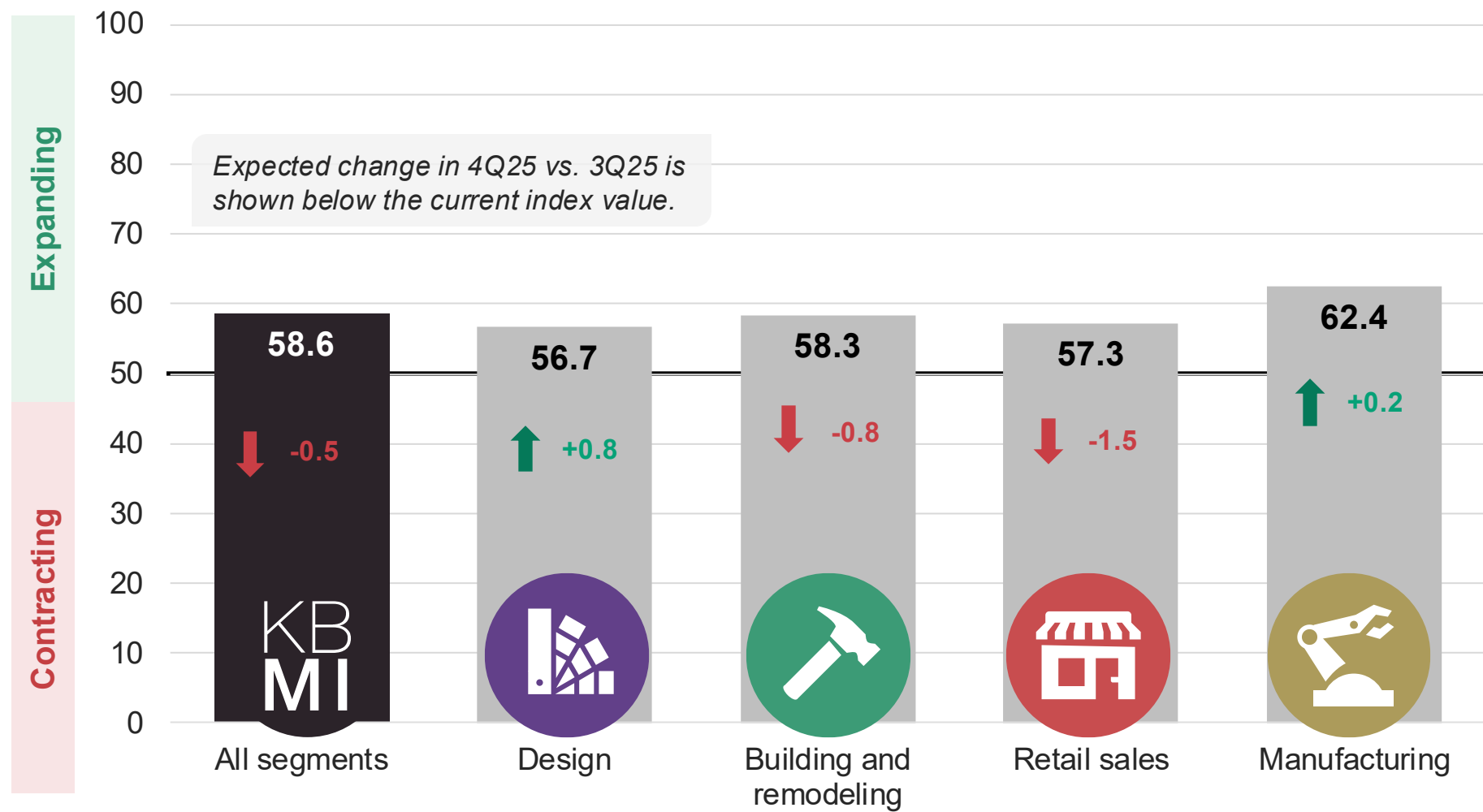
Note: Ratings of 0–39 mean weak, 40–59 mean normal, and 60–100 mean strong industry health.

Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

Two of four K&B segments lowered industry growth expectations for 4Q25.

Near-Term Kitchen & Bath Activity Index (3Q25)

Represents kitchen and bath firms' sales expectations for the **next quarter** (4Q25) vs. the most recent quarter (3Q25)



Kitchen and bath professionals expect sales conditions to improve during the next three months. However, these ratings have deteriorated from the prior quarter, particularly in the retail sales and building and remodeling segments.

Note: Ratings above 50 indicate that the industry is expected to expand in the next quarter, while ratings below 50 indicate that slowing sales activity is expected.
Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)



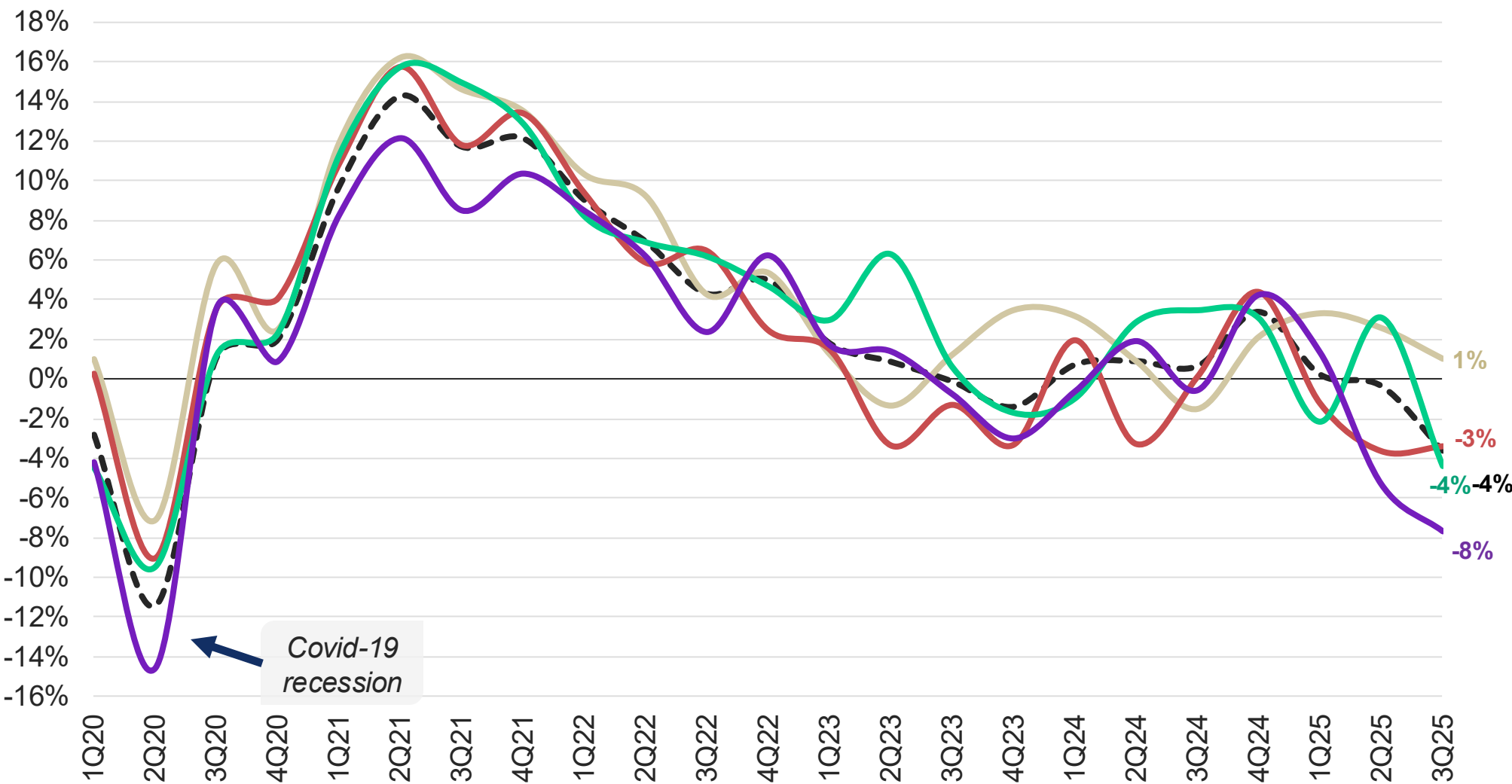
Industry sales

K&B industry year-over-year sales declined to -4% in 3Q25.

Residential Kitchen and Bath YOY Sales Growth

Represents average YOY sales change reported by respondents in all segments

-- All segments Manufacturing Retail sales Building and remodeling Design



Given ongoing price increases in 3Q25, negative sales growth implies that sales volumes (in terms of number of units/products) were in even more negative territory.

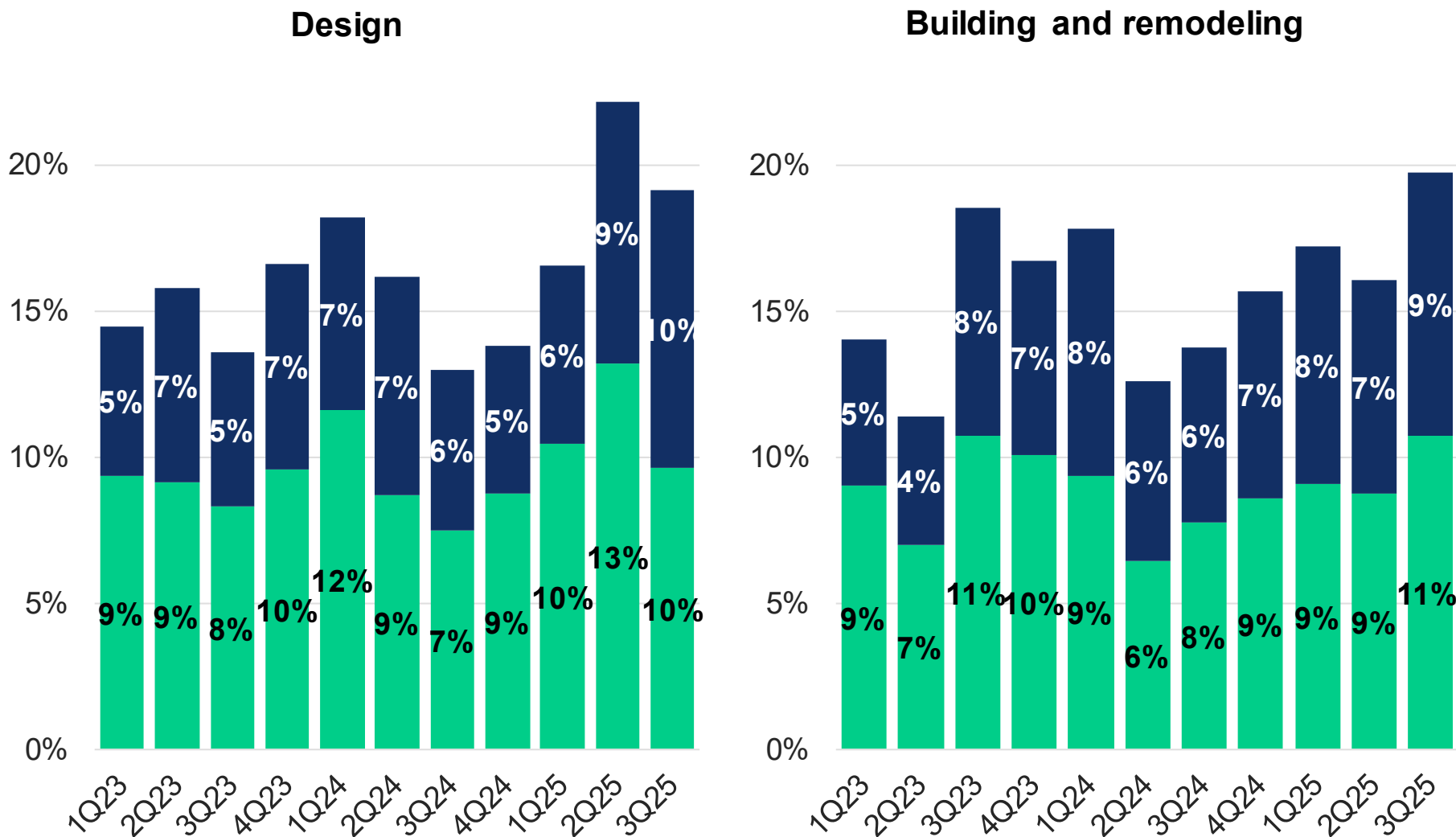
Note: These calculations are not revenue-weighted.

Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

With heightened consumer uncertainty, K&B project cancelations and postponements remained elevated in 3Q25.

Share of Planned Residential Kitchen and Bath Projects That Did Not Continue

■ Postponed ■ Cancelled



Most of our products appeal to the top 5% of the earners, they can definitely weather the upcoming economic crisis. However, operating out of New England which is a very conservative spending market, consumers tend to **delay purchases until they feel comfortable** with economic conditions.

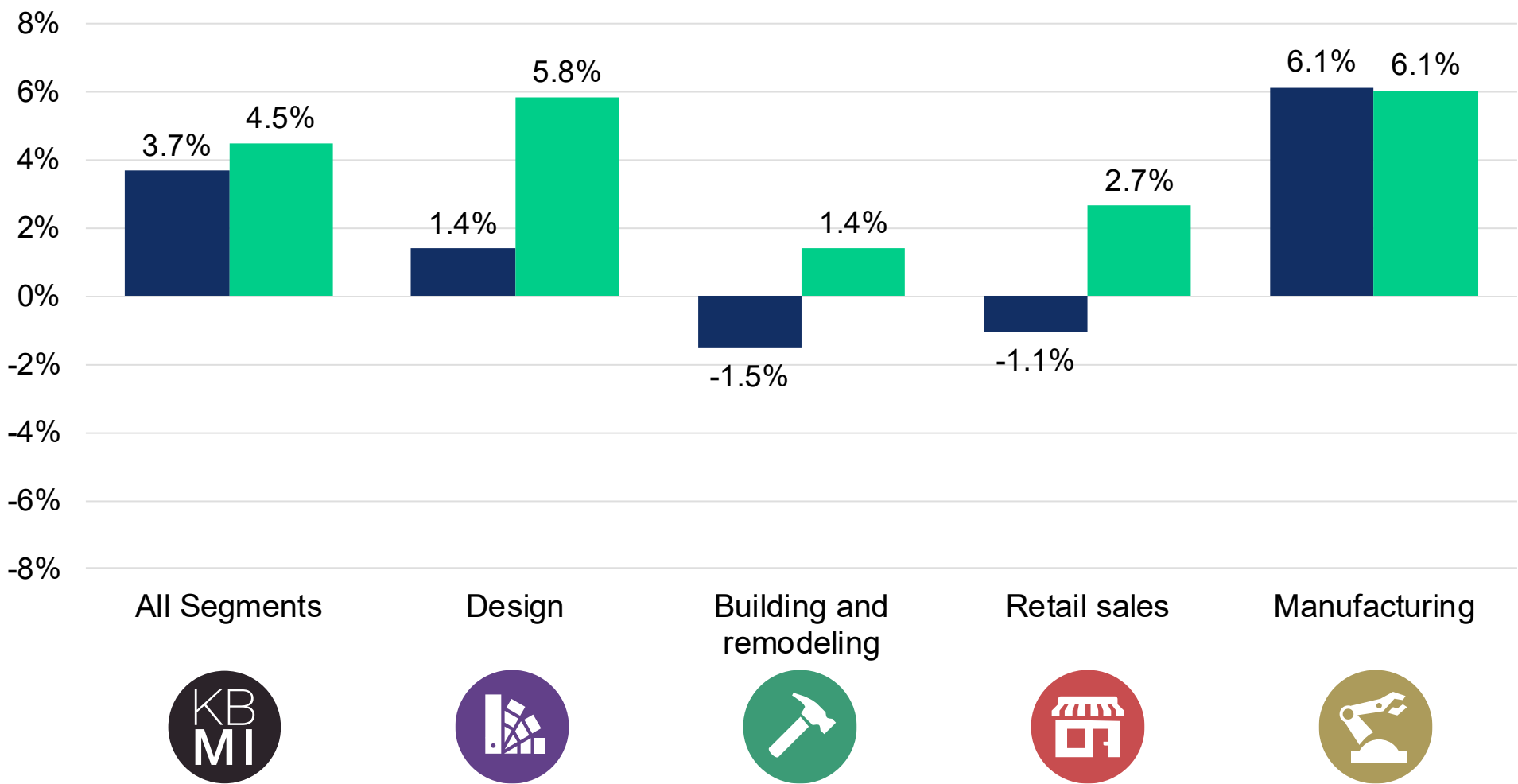
- Manufacturer's rep in the Northeast

Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

Outlook for 2026 is for mid-single-digit growth. Manufacturing and design firms are more bullish on expected resilience in premium consumer spending.

Residential Kitchen and Bath Expected 2025 vs 2026 Sales Growth (3Q25)

On a revenue-weighted basis ■ 2025 outlook ■ 2026 outlook



As the market continues to fluctuate, I anticipate some clients may choose to pause their projects. However, if the economy stabilizes and tariff volatility eases, I expect we'll see a renewed willingness to invest and an increase in overall demand.

- Large interior design firm across the US

Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

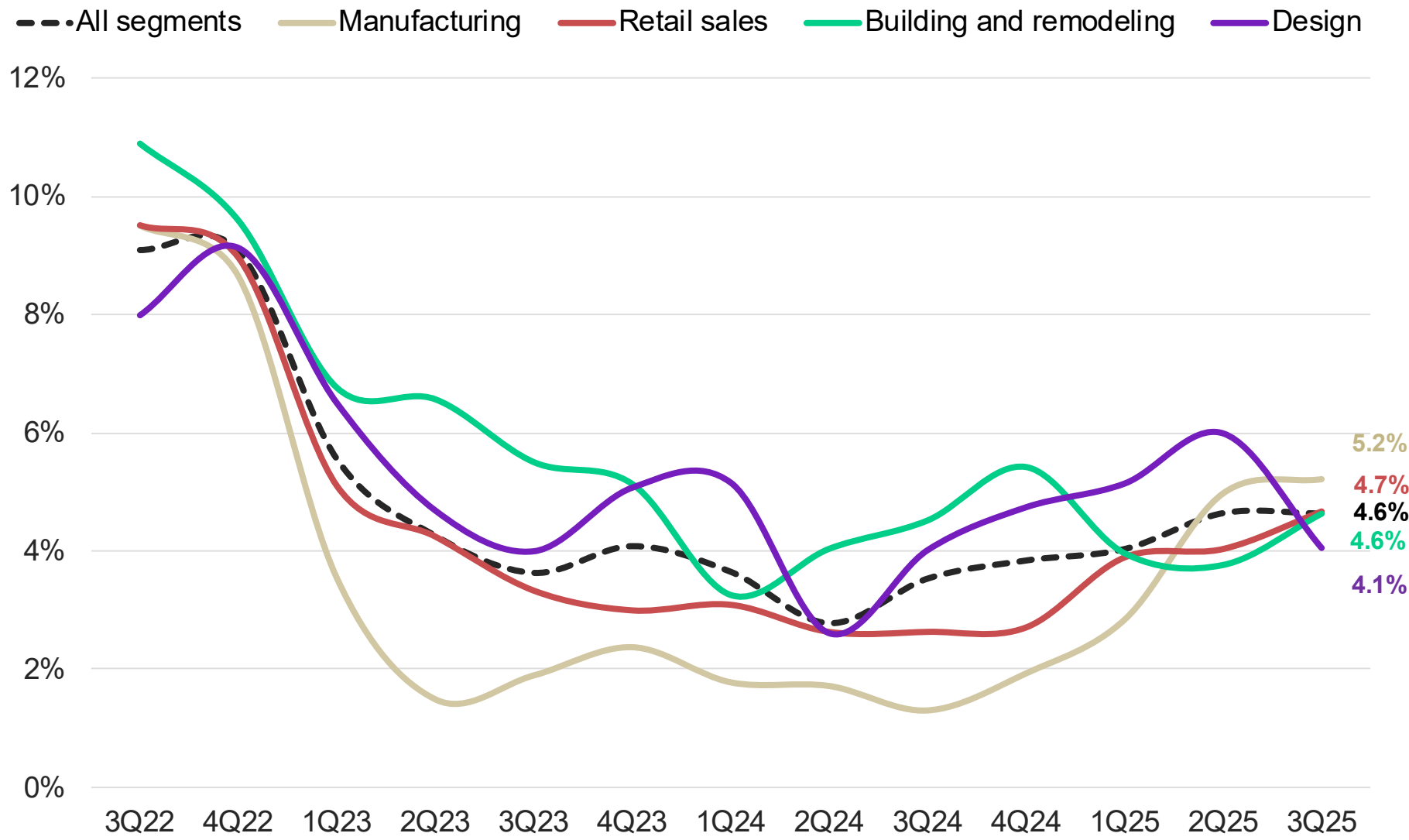


Market conditions

K&B firms increased prices +4.6% YOY on average, led by the manufacturing segment.

Residential Kitchen and Bath YOY Price Growth

Represents average YOY price change reported by respondents in all segments

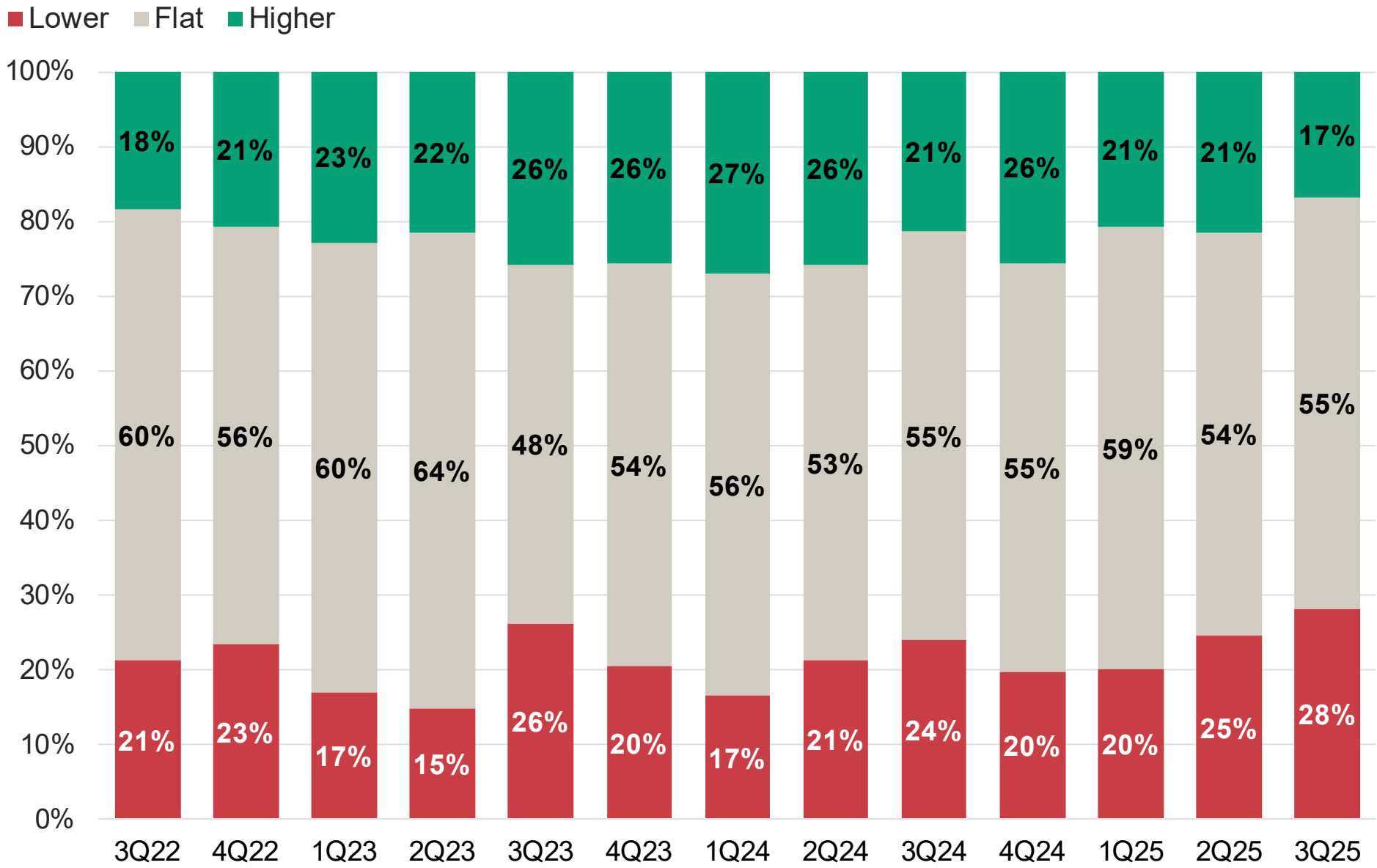


“Pricing of everything has continued to rise even though out margins are not changing (price of our cabinetry, materials, and labor). Customers are starting to get nervous with tariff changes and politics. Customers are still buying, but a little more cautious. We're hoping that since the interest rates has dropped a little, that this will help.”
- Remodeler in the Northeast

Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

K&B margins declined in 3Q25, in large part due to tariffs.

Kitchen and Bath Industry Gross Margins Compared to a Year Ago

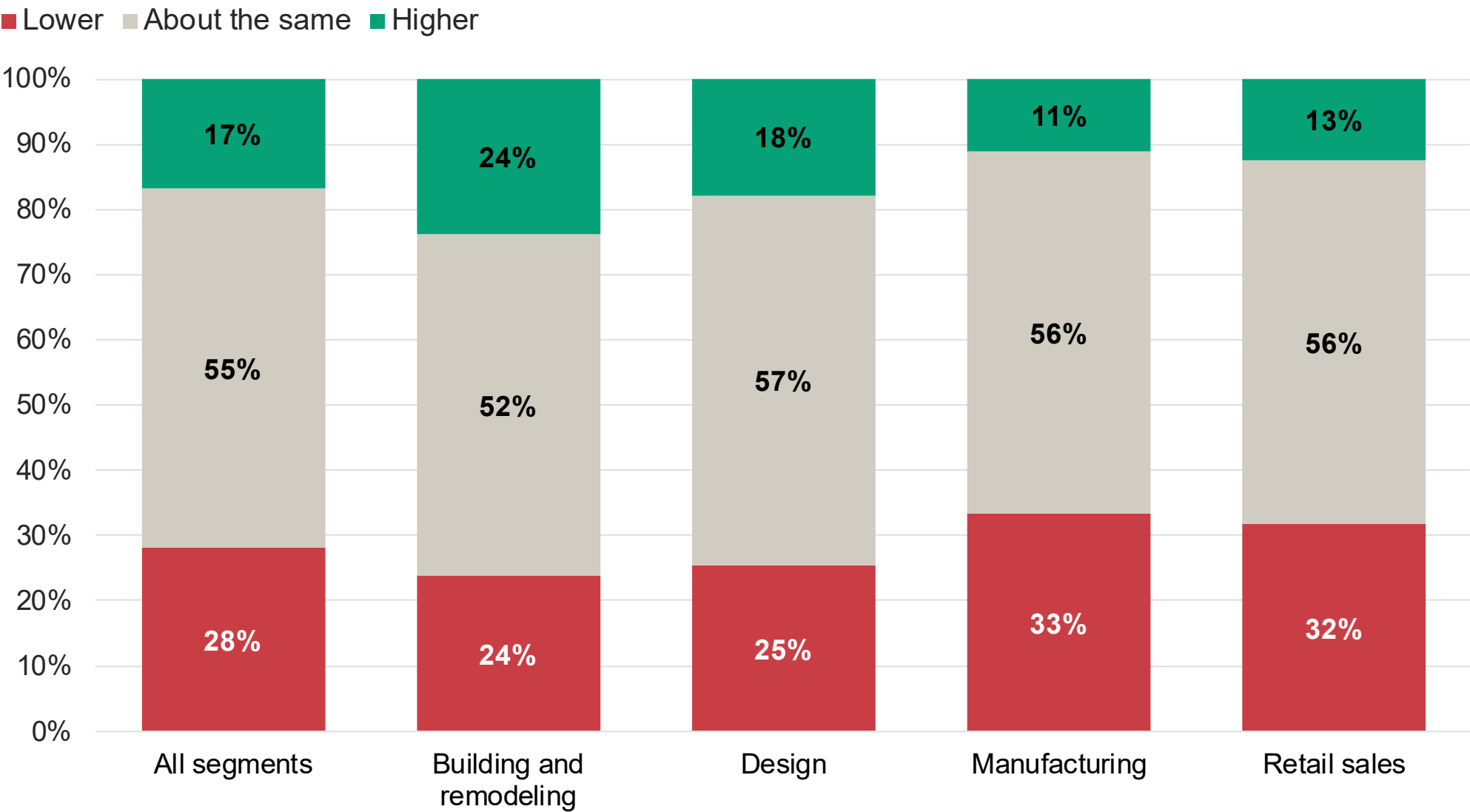


“ Tariffs are squeezing margins, and we'll have to raise prices to keep the company healthy.
- Cabinet shop across the US

Note: % values may not total to 100% for each segment due to rounding.
Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

Manufacturing and retail sales firms report elevated margin pressure, relative to the broader K&B industry.

Kitchen and Bath Industry Gross Margins Compared to a Year Ago (3Q25), by Segment

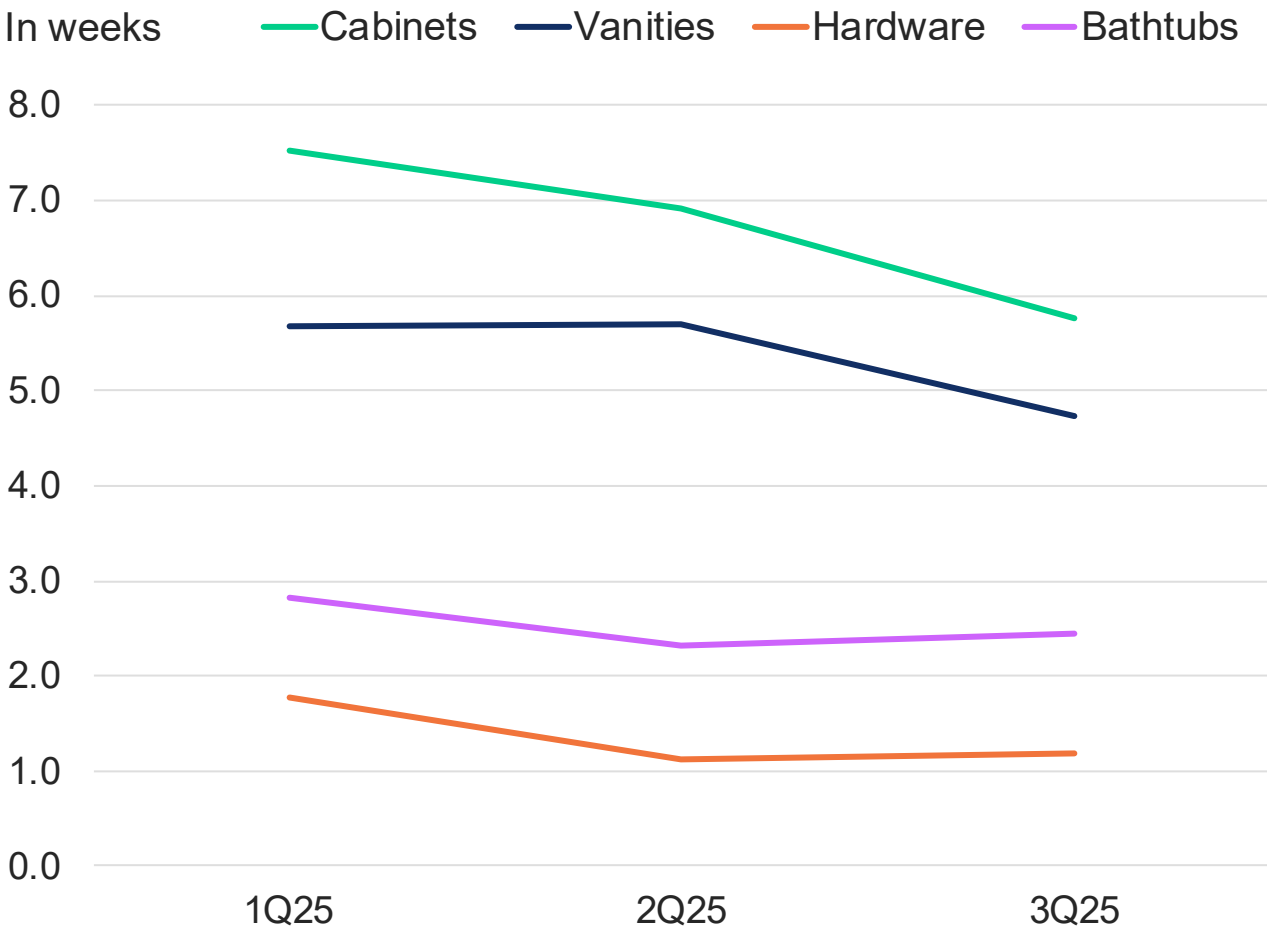


Note: % values may not total to 100% for each segment due to rounding.
Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

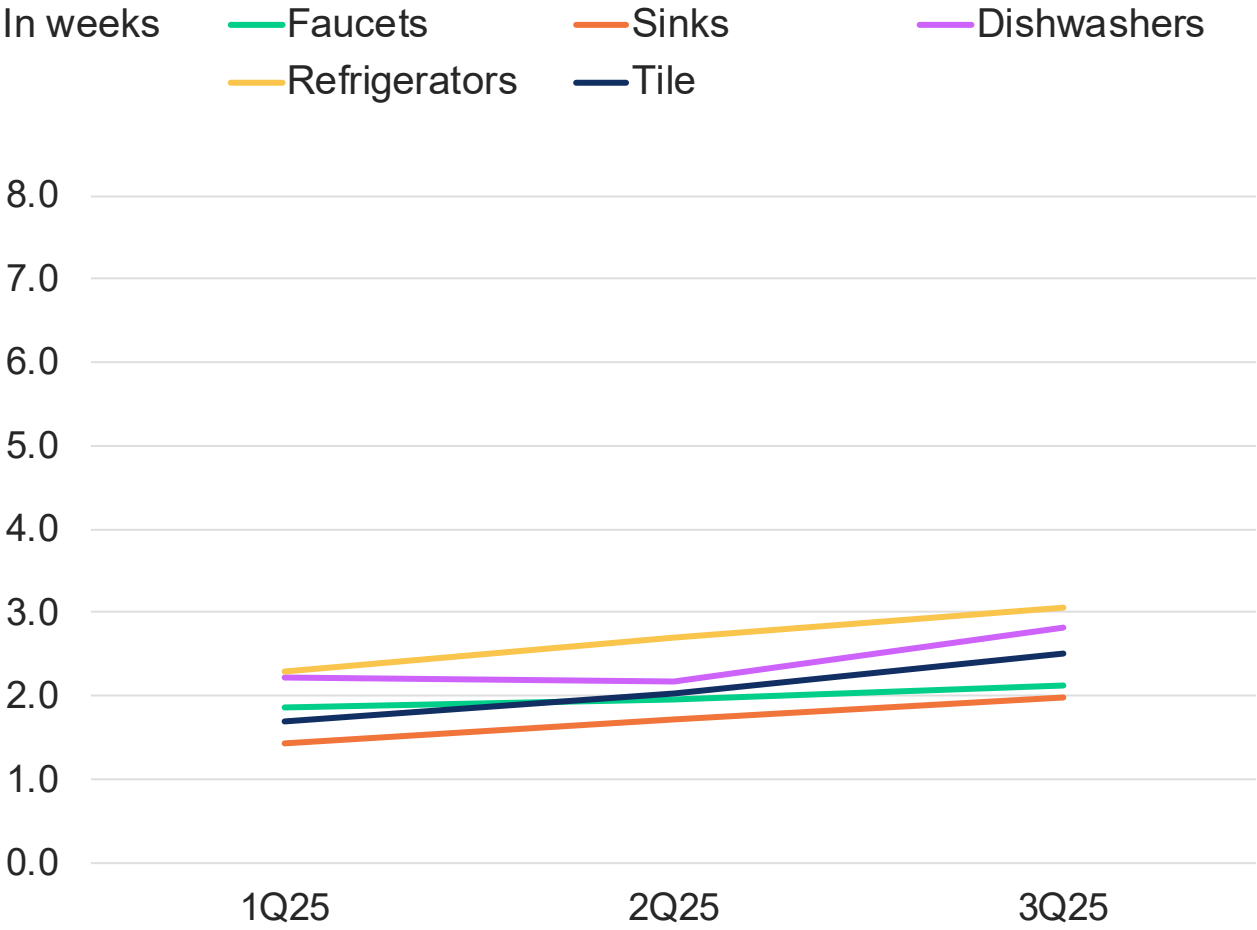
Lead times improved for cabinets and vanities in 3Q25 but worsened for several other kitchen and bath-related categories.

Average lead times for products, reported by the Retail Segment

Declining lead times



Increasing lead times



Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

Tariffs reignite cost anxiety among kitchen and bath firms.



Tariffs have created a nightmare for our business. They have totally disrupted the demand side. We design and sell custom cabinetry, which is only part of a kitchen. Appliances, flooring, counter tops are also part of the kitchen which make up part of a customer's budget. When the cost of other items goes up it impacts the overall budget and affects the customer's decisions. Another important part of the equation is the uncertainty. Customers tend to not spend money when they are uncertain of the future. Our business is struggling at this moment, and I don't see any relief in sight.

- Cabinet shop, multiple US regions

Anticipating material pricing increases over time due to tariffs.

- Manufacturer

Tariffs are squeezing margins, and we'll have to raise prices to keep the company healthy.

- Cabinet shop, multiple US regions

The impact of tariffs just recently started to show up in some of our material acquisition costs. We have been fairly insulated as the majority of the products we purchase are made or assembled in the USA.

- Cabinet shop, California

We are kept aware of potential price increases, but so far, they have not materialized in any significant way.

- Cabinet shop, Northwest

The tariffs are creating direct and indirect price increases and unstable shipping costs and times. Baseline labor costs and availability due to immigration crackdowns.

- Dealer, Illinois



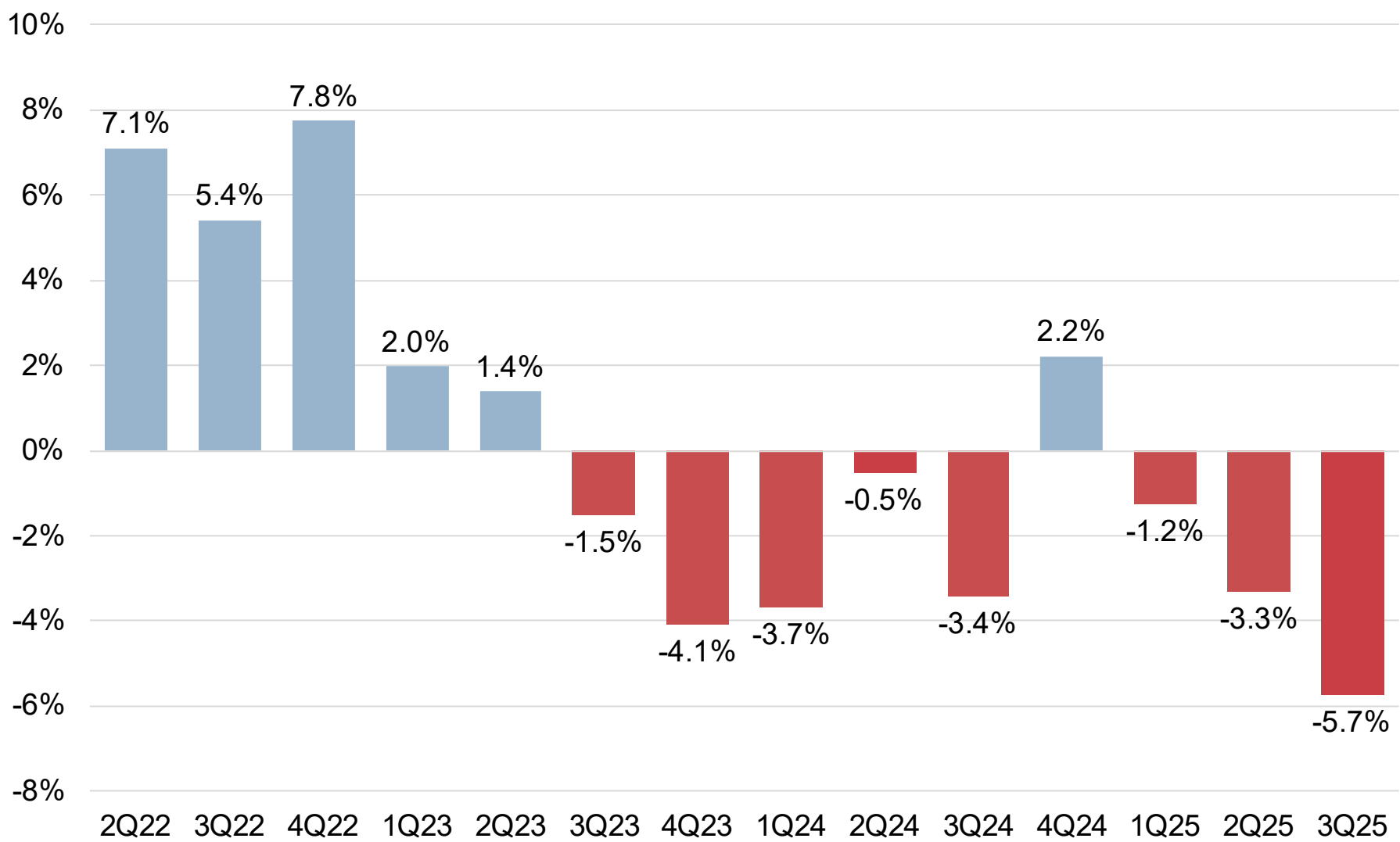


Design segment update

Design: Christopher Smith | Photo Ryan Fung

Design segment firms' K&B project completions declined in 3Q25.

YOY Growth in Designers' Residential Kitchen and Bath Project Completions



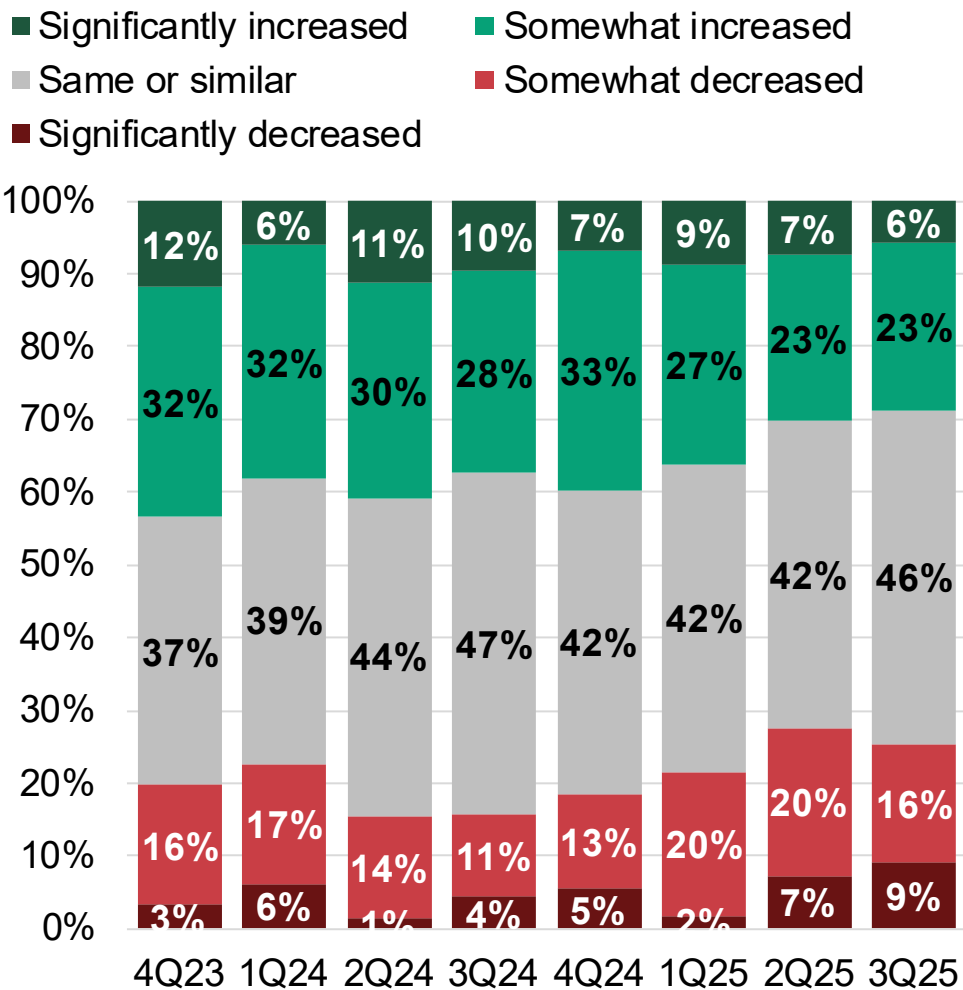
“ Consumers are in a holding pattern.
- Interior design firm across the US

Note: These calculations are not revenue-weighted.
Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

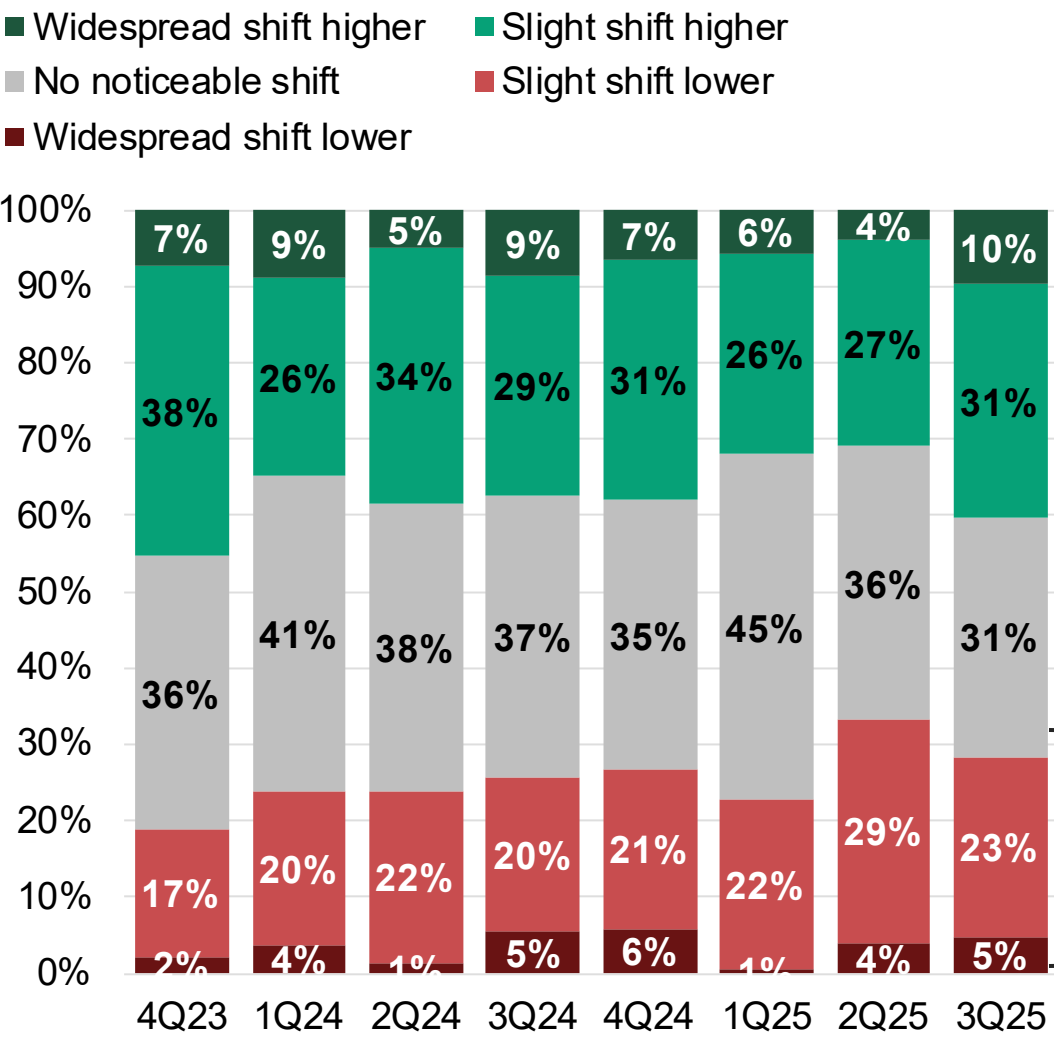
An elevated share of consumers is downgrading K&B design projects in 3Q25 in terms of scope and material quality.

Kitchen and bath designers report shifting demand by:

Average Size/Scope of Projects Compared to Last Year



Product Grades/Price Points Demanded (QOQ)



I sense more people **willing to modify their project goals** in scope and size and quality level - not wanting to use their investment holdings freely. Clients are looking for good design though, even while they modify their investment on materials.

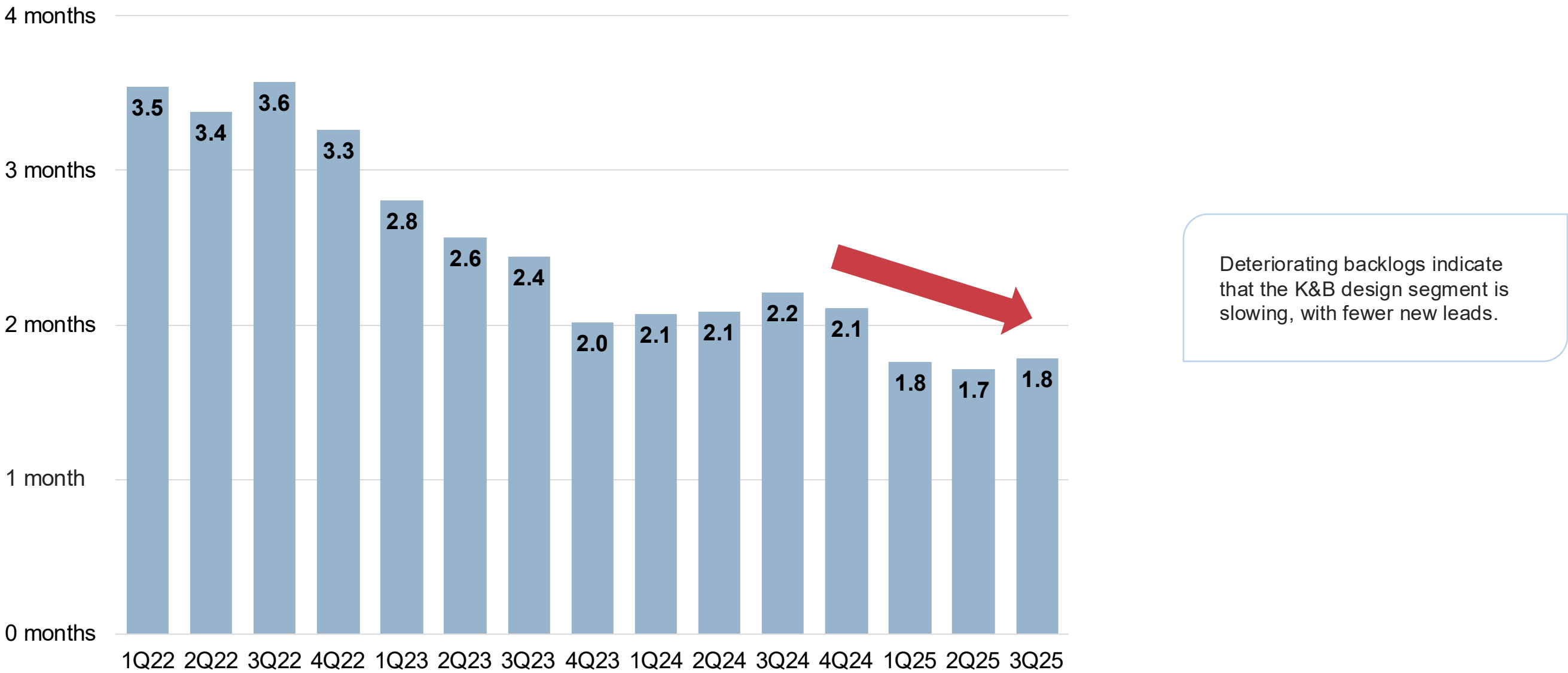
- Kitchen design firm across the US

28% report that consumers downgraded to lower-grade products in 3Q25

Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

Design segment backlogs remained lower in 3Q25, led by softness in non-luxury projects.

Average Kitchen and Bath Project Backlogs for Design Firms



Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

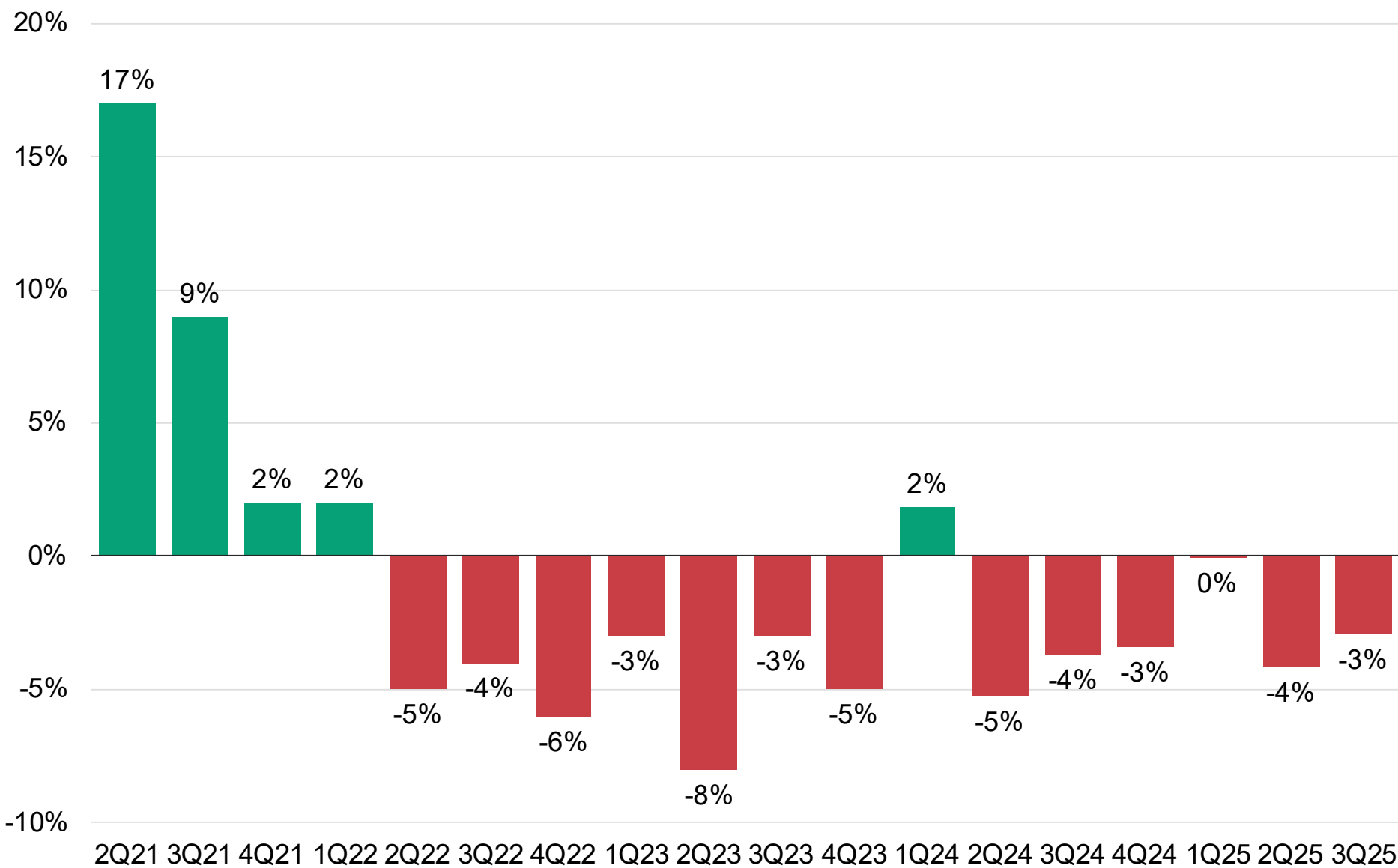


Retail segment update

Design: Lauren McCabe of Renovation by Design | Photo: Andy Schwartz of Stylish Detroit

K&B retail foot traffic declined further YOY in 3Q25.

Kitchen and Bath Retailers' Average QOQ Change in Foot Traffic (%)



Continues to be **challenging with internet shopping** vs customers coming into brick-and-mortar stores. Retail traffic slightly lower and lower-quality leads. Tariffs, market uncertainty, politics, interest rates. Quality product and labor shortages continues to be problematic. Seeing more call for bathroom remodels vs kitchen. New opportunities arise daily with aging in place, insurance claims, aging homes and shortage of affordable housing. Tariffs may have a huge impact on the overall K&B segment because those increases are being passed on to the consumer.

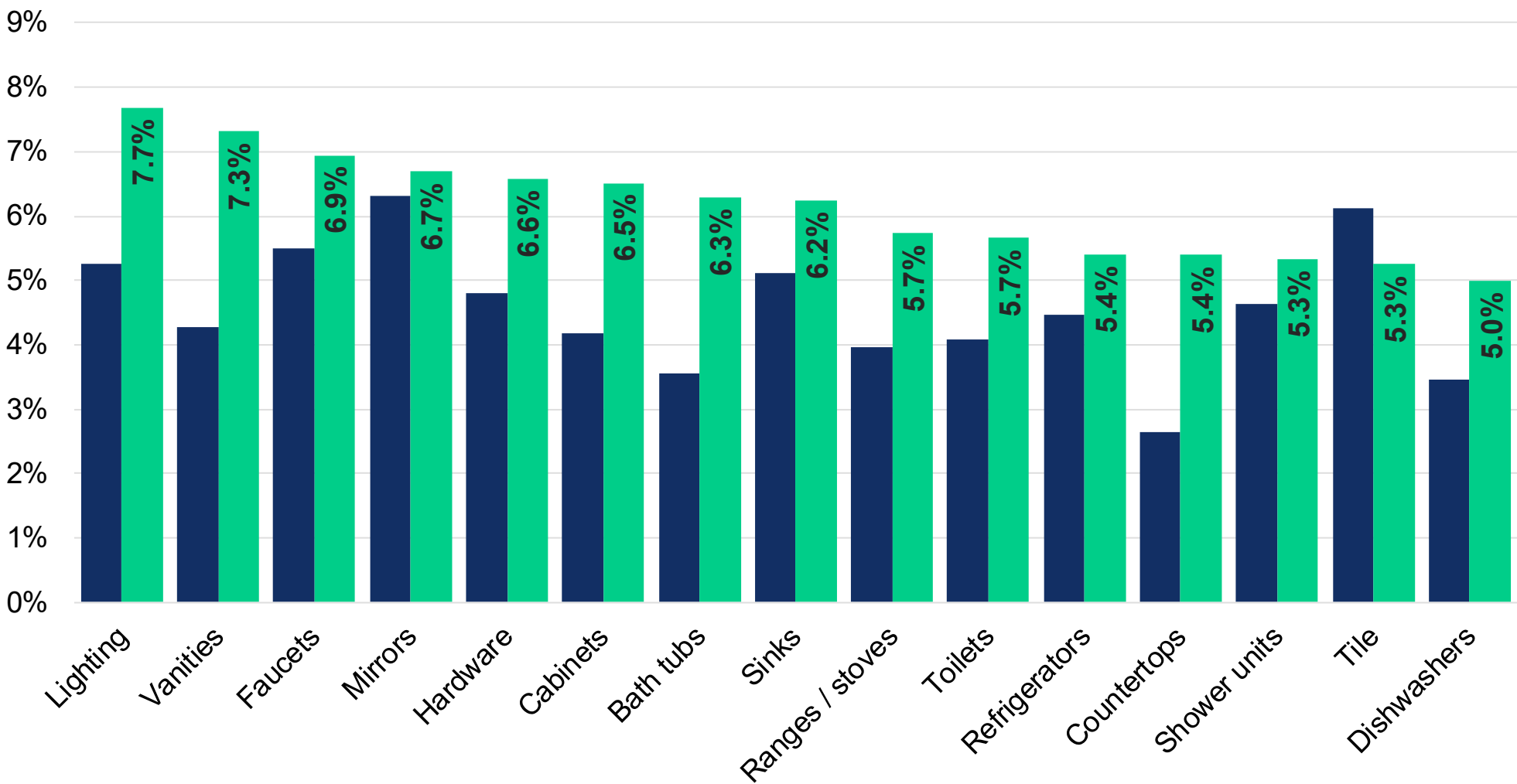
- Dealer in the Midwest

Note: Only includes retail firms with in-person foot traffic. Online retailers are excluded.
Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

Suppliers raised product prices to K&B retailers by +6.1% YOY in 3Q25, led by lighting and vanities.

Kitchen and Bath Retailers' Reported YOY Price Change from Suppliers

By product ■ 2Q25 ■ 3Q25

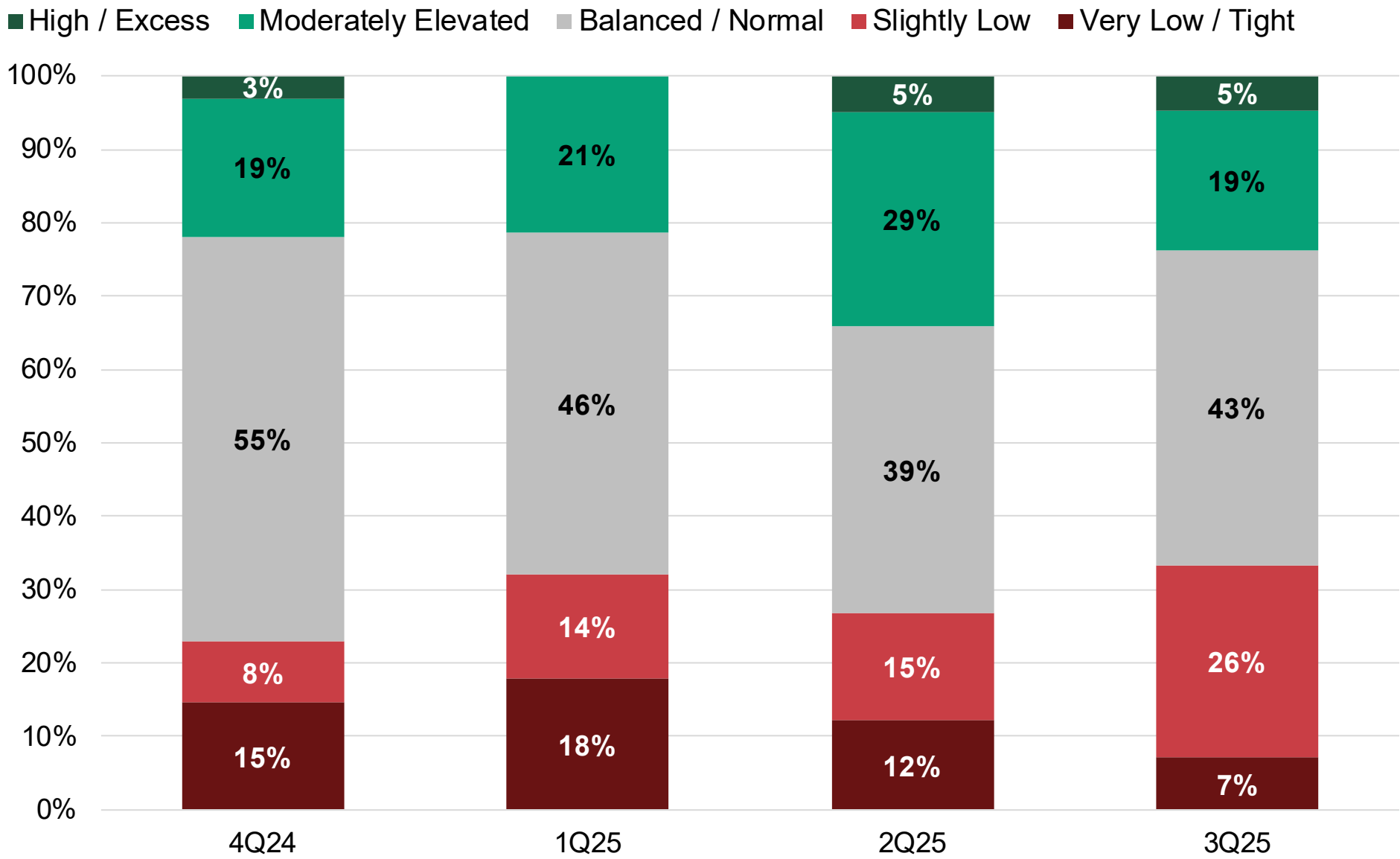


15-category average increase in 3Q25:
+6.1% YOY
Up from +4.6% in 2Q25

Note: This survey was fielded from September 22 to October 2.
Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

Inventory channels remain choppy for K&B retail firms.

Retailers' Current Inventory Status for Residential Kitchen and Bath Products



Note: This analysis excludes firms that do not carry inventory.
Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

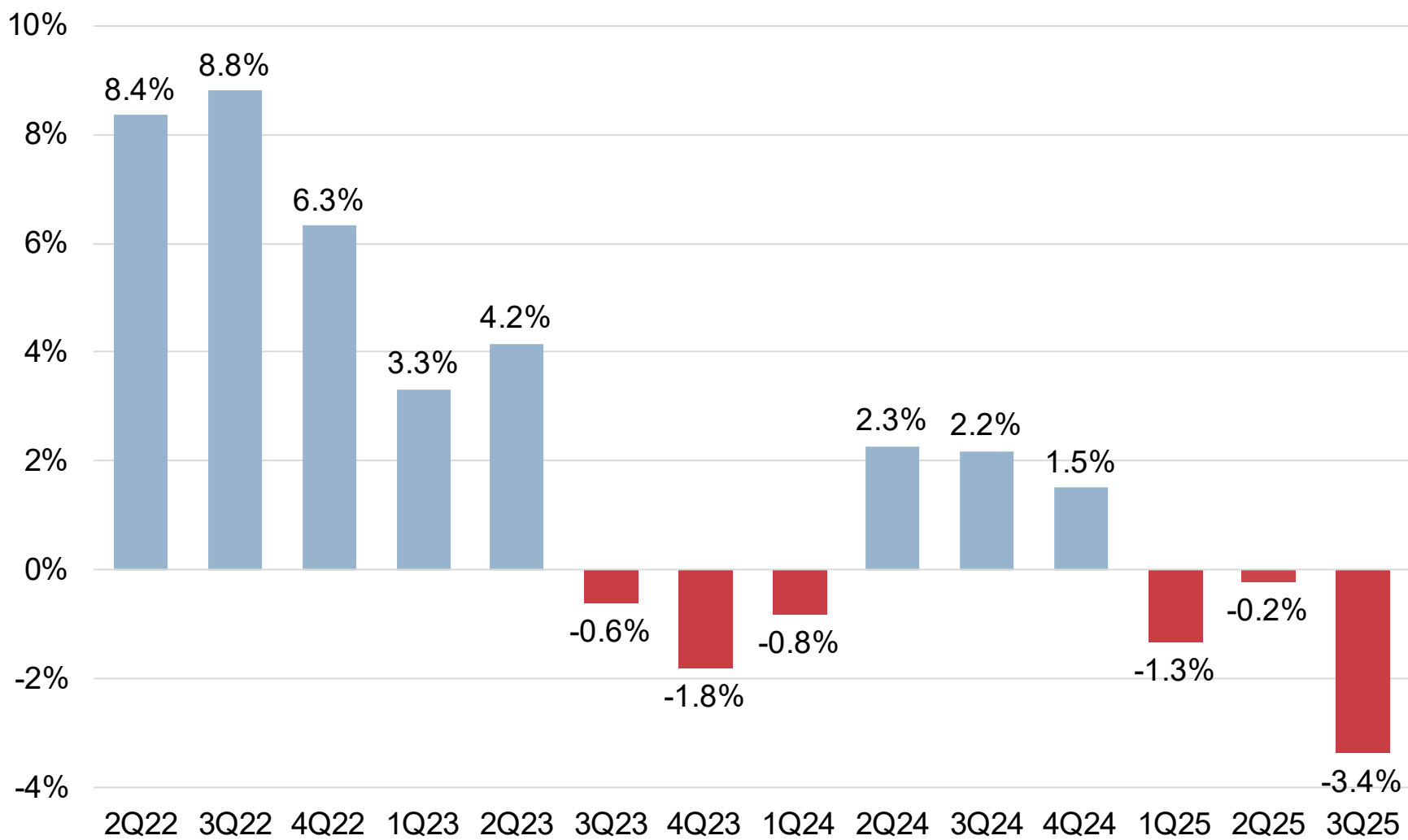


Building & remodeling segment update

Design: Summer Jensen of Hawk & Co LLC | Photo: Manolo Langis of Langoworks

Building and remodeling firms completed fewer projects YOY in 3Q25, reflecting weaker K&B project demand.

YOY Growth in Building and Remodeling Firms' Residential Kitchen and Bath Project Completions



Professional K&B remodeler completions improved in the latter part of 2024 before conditions deteriorated in 2025

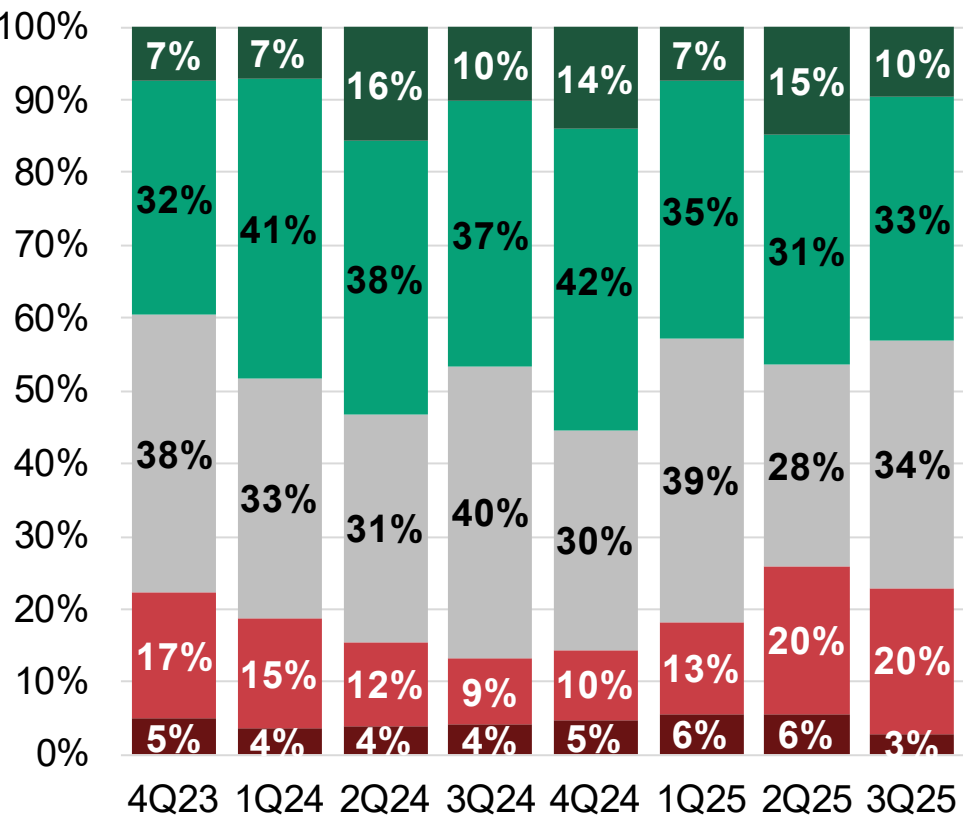
Note: These calculations are not revenue-weighted.
Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

Despite recent weakness, many building and remodeling firms report that consumers are still upgrading project price points.

Kitchen and bath building and remodeling firms report shifting demand for product scopes and price points.

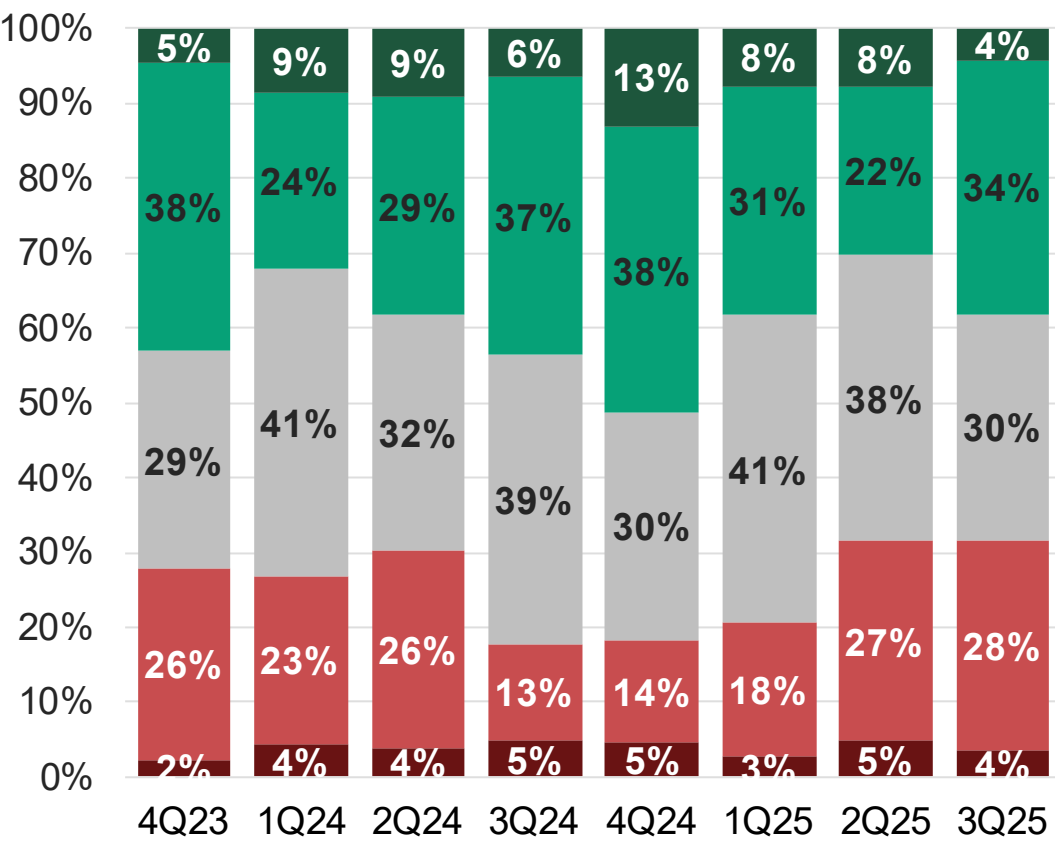
Average Size/Scope of Projects Compared to Last Year

- Significantly increased
- Somewhat increased
- Same or similar
- Somewhat decreased
- Significantly decreased



Product Grades/Price Points Demanded

- Widespread shift higher
- Slight shift higher
- No noticeable shift
- Slight shift lower
- Widespread shift lower



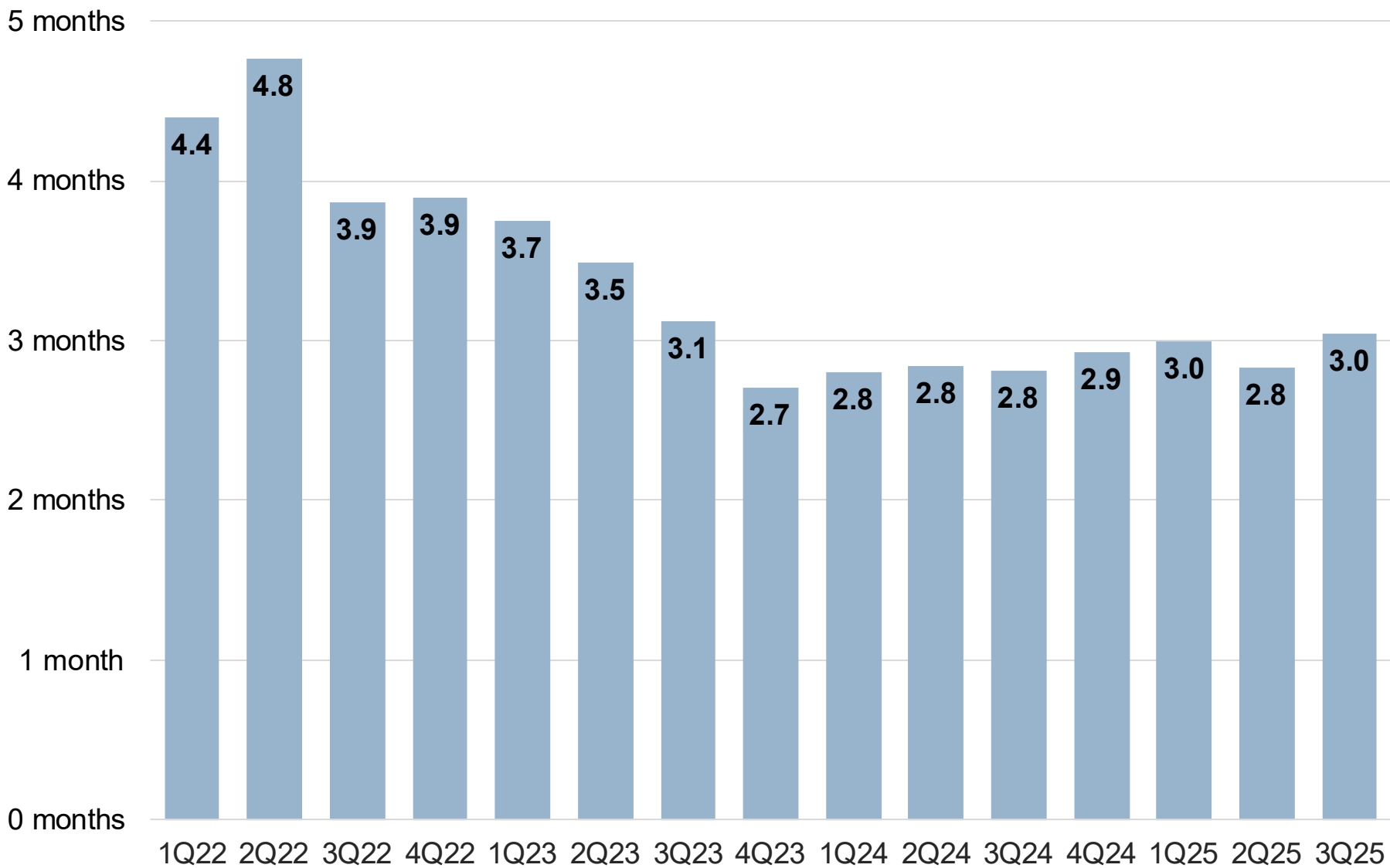
Lower-income households continue to downgrade project sizes and price points.

High-income and high-net-worth segments remain more resilient.

Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

Remodeler and builder K&B project backlogs improved slightly in 3Q25.

Average Kitchen and Bath Project Backlogs for Building and Remodeling Firms



Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

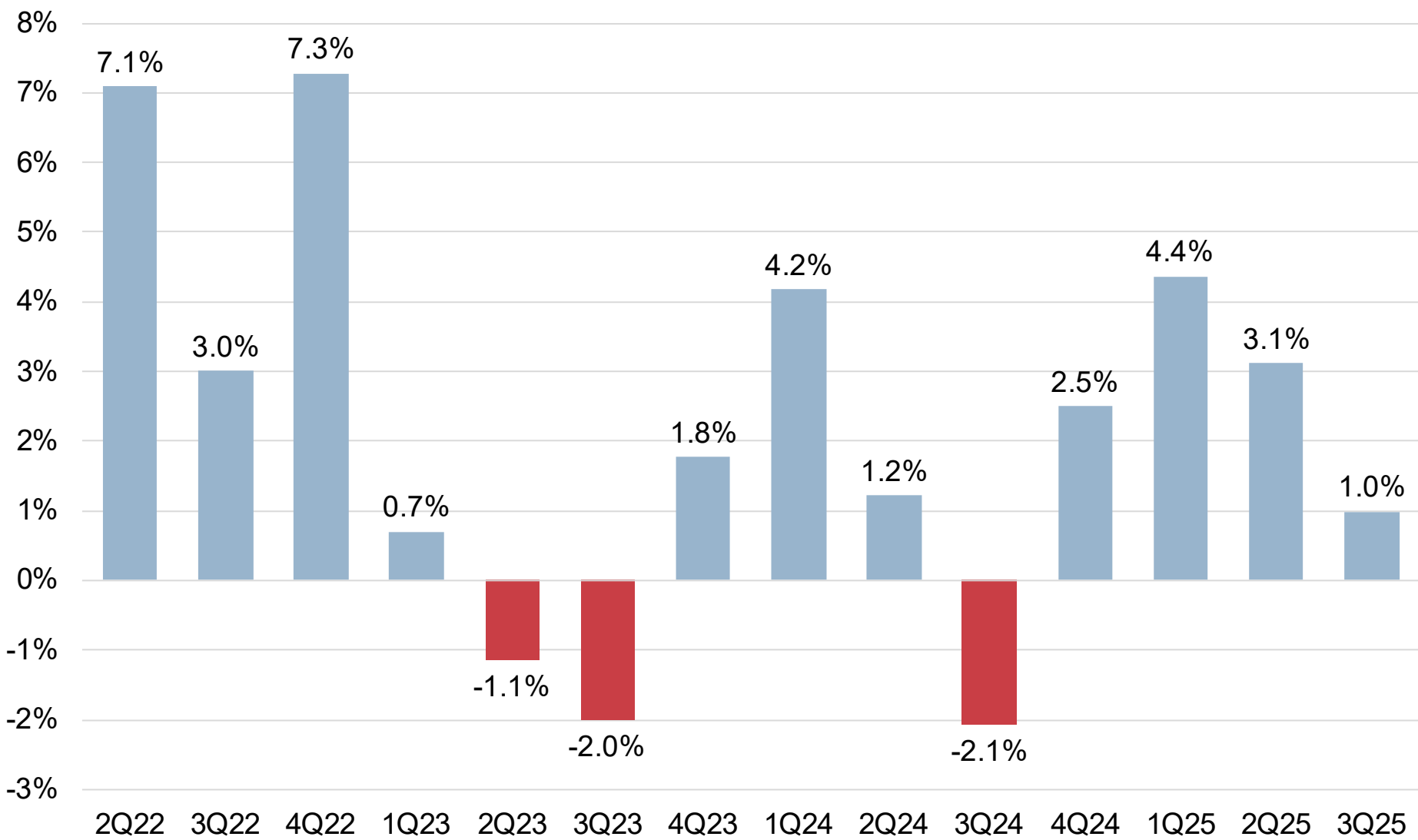


Manufacturing segment update

Design: Esthela Celaya of Celaya | Soloway Interiors; Photo: Kurt Munger of Kurt Munger Photography

On average, K&B manufacturing segment order growth rose +1.0% YOY in 3Q25.

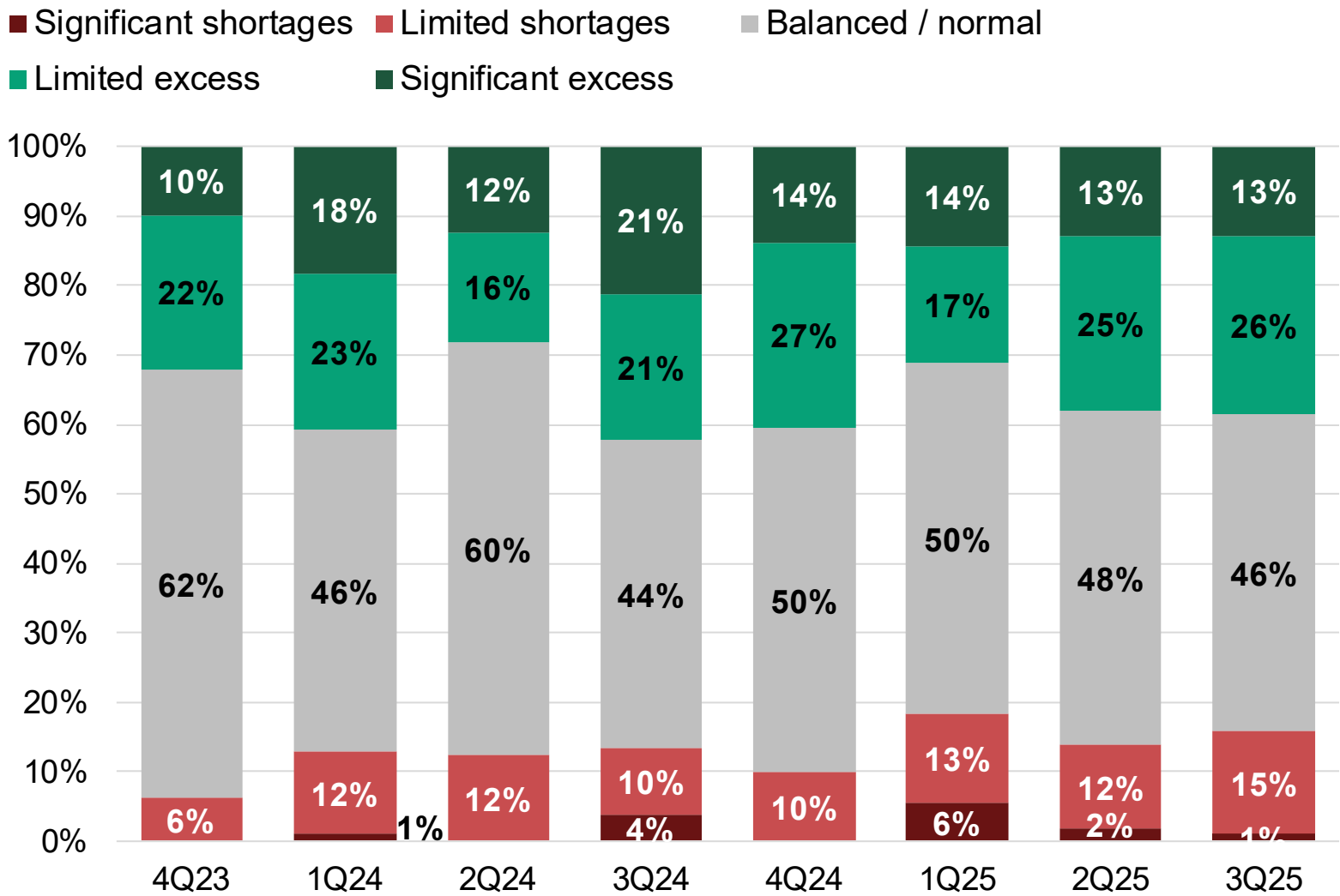
YOY Growth in Manufacturers' Orders for Residential Kitchen and Bath End Use



Note: These calculations are not revenue-weighted.
Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

Over one-third of K&B manufacturers report excess capacity as sales conditions remain slow.

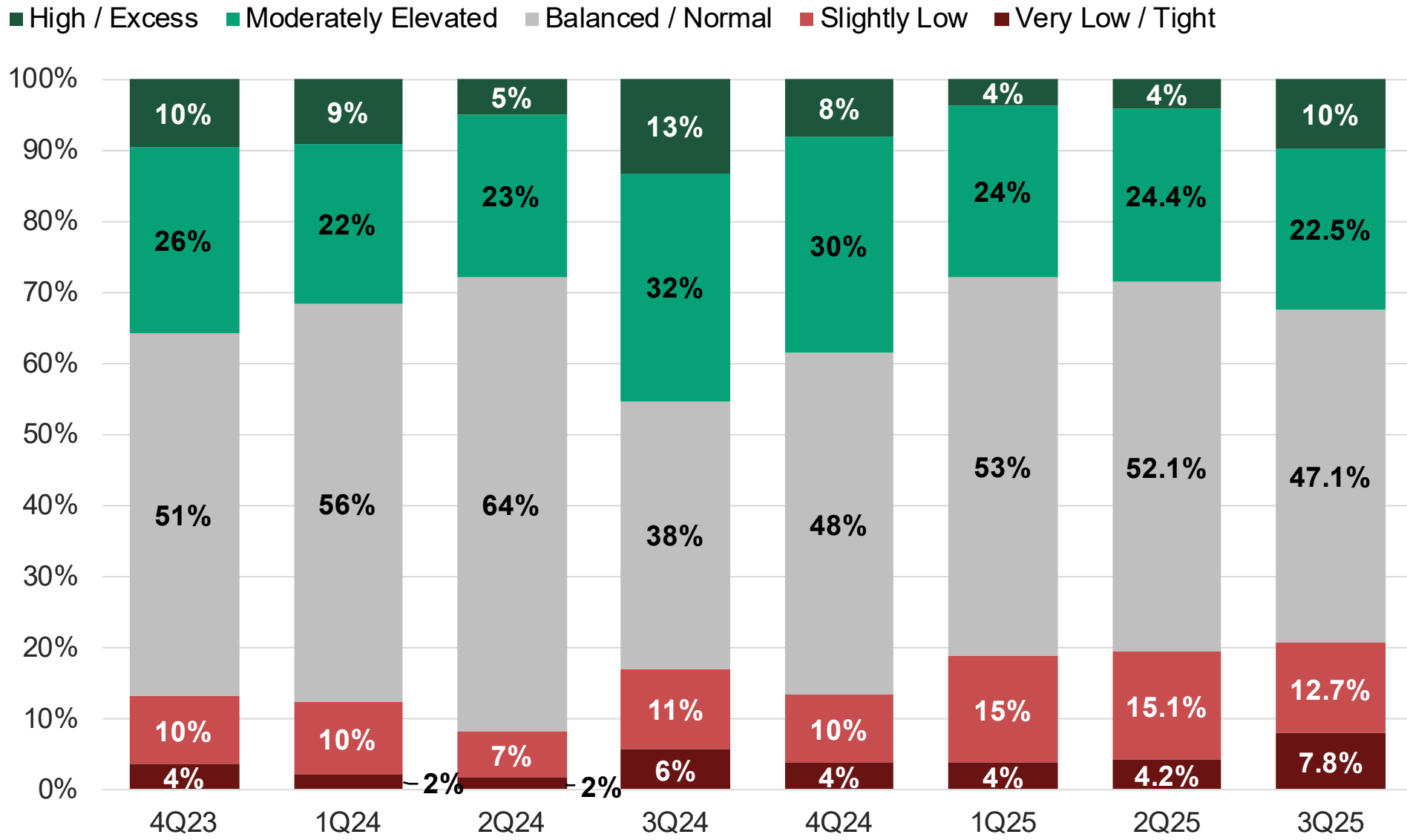
Manufacturers' Current Production Capacity for Residential Kitchen and Bath Products



Note: % values may not add to 100% each quarter due to “unsure” response counts being excluded from graph.
Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

More K&B manufacturing segment firms reported elevated inventories.

Manufacturers' Current Inventory Status for Residential Kitchen and Bath Products



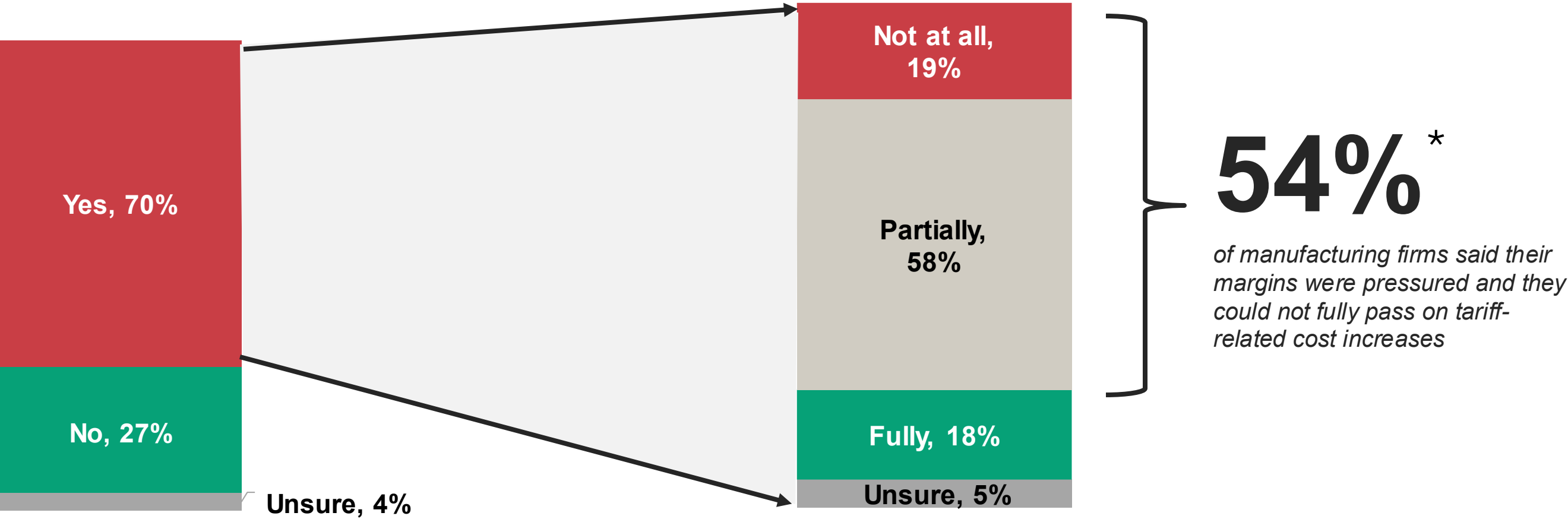
Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

More than half of manufacturing segment firms reported being unable to fully pass on tariff-related cost pressures.

We asked *manufacturers*:

Have tariffs implemented in the last six months put pressure on your margins?

Among those reporting "Yes":
To what extent has your company been able to pass along tariff-related cost increases?

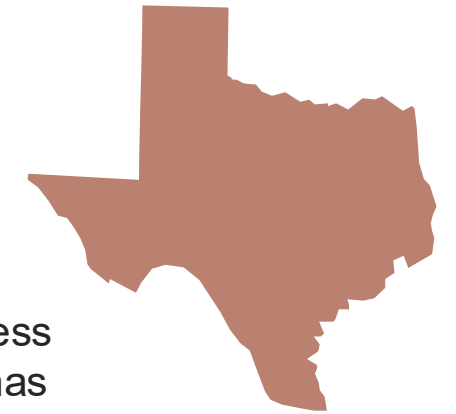


**Note: This percentage was rebased to all manufacturers for analysis purposes.*
Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)



Regional commentary

High-end clients remain engaged in Texas, but affordability, uncertainty, and inflation suppress broader activity.



Texas: demand outlook



Our outlook is negative. Unless the feds lower rates faster everything will likely stay on hold. **We are doing too many remodel projects over new builds** because of this. The margins and complications on remodels are lowering our margins.

- *Cabinet shop, Southeast Texas*

Consumers initially wanting to spend less. Once they meet and gain confidence, they let go a little. This we expect to be the ongoing trend for the next six months.

- *Small retail showroom, Southeast Texas*

People seem to be more hesitant to move forward than normal.

- *Builder, Southeast Texas*

I'm optimistic that consumer demand for our firm's design-build services will grow in the next six months. However, I'm also open to shifting or pivoting to focus on other profitable services to meet different consumer needs.

- *Design-build firm, Southeast Texas*

Texas: demographics / market segments

Lower upper middle and below incomes can no longer afford my shop and are turning to foreign-made semi-custom cabinets.

- *Cabinet shop, Southeast Texas*

High end is still buying, but the middle and low end are not.

- *Retail showroom, Southeast Texas*

I think in the high-end home business it will continue to chug along as it has over the last three years. The demand for custom homes in Central Texas is still going.

- *Cabinet sales, Central Texas*

Higher income areas are over performing.

- *Remodeler, Southeast Texas*

I believe clients will be spending more on products for higher-quality projects. Especially here in San Antonio, they will be spending more to remodel their homes instead of moving.

- *Interior designer, San Antonio*

It's hard to plan when you can't lock in prices.

- *Kitchen designer, Southeast Texas*

Note: Texas data is included in the Southeast unless specified otherwise.

Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

Southeast: Demand is steady in luxury segments. Price sensitivity is rising elsewhere.

Southeast: demand outlook



Since we are in the luxury market, there are fewer possible clients, but when they become a client, they still spend.

- Dealer, North Carolina

My outlook is optimistic—there are new homes and renovation plans we're working on.

- Showroom, North Carolina

Consumer demand seems to be increasing as rates stay steady; more people are redoing what they have vs. moving.

- Showroom, South Carolina

I believe demand will remain strong, but fear of increased prices gives hesitation.

- Design-build firm, Tennessee

Demand has picked up, but so have prices. Tariffs are a disaster for the construction business and we are having to pass the increases down.

- Design-build firm, Tennessee

Southeast: demographics / market segments

Most of our customers are 'inflation-proof'—they are in the luxury category.

- Dealer, Tennessee

Gated communities are strong for us.

- Dealer, Tennessee

Retired consumers continue to be the majority of remodeling projects; we're seeing **more working professionals remodeling instead of moving.**

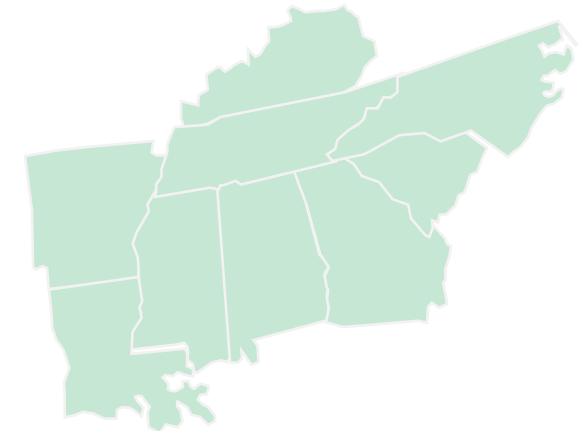
- Design-build firm, Tennessee

The high-end group is underperforming right now.

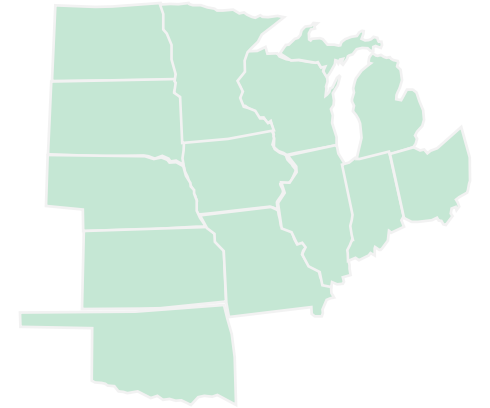
- Showroom, Georgia

Latino business owners continue to be a strong customer group, prioritizing quality and custom solutions.

- Kitchen designer, Southeast



Midwest: High-end demand is resilient, but the middle market softens as uncertainty builds.



Midwest: demand outlook



Consumer demand and spending suddenly dropped off fast.

Customers are putting off projects or price shopping. - *Cabinet shop*

Knew we were in trouble achieving our budgeted revenue for 2025 after the first quarter. Our outlook for the balance of 2025 and beginning of 2026 looks bleak. - *Showroom, Michigan*

I really don't see demand changing much. Rates have dropped some, but people here are prepared to spend whatever it takes to get what they want. - *Showroom*

As most people can't afford to move, remodeling demand will continue, but the amount of investment will decline. - *Design-build firm, Michigan*

Solid outlook for the next six months.

- *Remodeler*

It will be down unless we see tariff relief.

- *Manufacturers' rep, Illinois*

Midwest: demographics / market segments

Still doing well with boomers.

- *Showroom, Ohio*

Our resort/vacation area with second homes is our busiest segment.

- *Cabinet shop, Wisconsin*

Retirees are overperforming.

- *Design-build firm, Ohio*

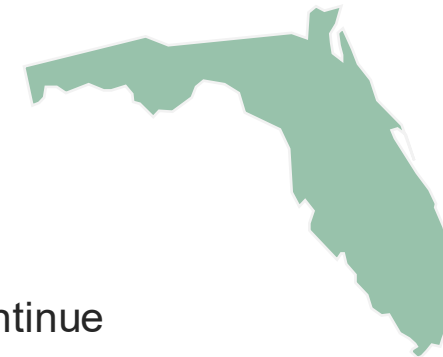
We live near a lot of lake houses—our main market is second and third homes. - *Kitchen designer, Michigan*

The mid- to high-end customer accepts higher prices; older clients are spending and want what they want.

- *Kitchen designer, Indiana*

First-time homeowners are a low or zero group for us; **dual-income professionals aged 35–60 remain strongest.**

- *Remodeler, Wisconsin*



Florida: Wealthier clients sustain demand, while uncertainty and higher costs weigh on others.

Florida: demand outlook



Stable demand in the luxury residential market in Florida.

- *Cabinet shop*

I think customers are more frugal in their spending but still willing to spend. They're just more discerning.

- *Retail showroom*

Very difficult to forecast because of interest rates. New home opportunities continue steady. Remodeling is complicated by paperwork from the hurricanes.

- *Architect*

I think consumers are carefully planning future projects and weighing the value of each project within the home.

- *Kitchen designer*

I believe the consumer has been patient and not purchased through most of the past year, awaiting clarity on the election and rate reductions. I hope they regain confidence and move on with normal buying habits in 2025–26.

- *Retail showroom*

Florida: demographics / market segments

Turn-key investment properties are on the rise for our company.

- *Interior designer*

The trend seems to be in European White Oak for flooring and cabinets. Designed cabinets have been on the rise this year over past years. More exteriors and hardscapes.

- *Interior designer*

Single-family home projects continue to be a focus.

- *Fabricator*

Seasonal homeowners with two or more homes are driving activity levels as we enter the season in South Florida.

- *Interior designer*

Clients are more frugal in their spending but still willing to spend—they're just more discerning.

- *Retail showroom*

Luxury residential demand remains stable.

- *Cabinet shop*

Note: Florida data is included in the Southeast unless specified otherwise.

Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

California: High-end demand holds steady as middle market cools; clients cautious amid cost pressures

California: demand outlook



Consumers are cautious, but we expect them to regain confidence as the stock market steadies and interest rates drop.

- Interior designer

Typical decrease over the holiday season, followed by an uptick in design and orders in early '26. If the Fed drops rates again, consumer confidence will rise—and we will rise with it.

- Retail sales dealer

Clients are apprehensive about spending money. **Leads have dropped off.**

- Design-build firm

I think it's going to stay low. People are scared to take on big remodeling projects.

- Design-build firm

Outside of our city, I don't think there is much demand. Altadena and Pasadena will overperform as they rebuild from the devastating fires.

- Retail showroom

People are hesitant to commit to large projects and are questioning prices more than before.

- Interior designer

California: demographics / market segments

The luxury market will continue to see demand remain the same or increase year over year. We continue to elevate our product and service offerings to cater to this market.

- Cabinet shop

We continue to see millwork growth. Clients are seeking more wood inside their homes to make them feel warm, luxurious, and welcoming.

- Cabinet shop

The higher-end market seems more stable at this time, as is to be expected. The middle- and lower-level projects are quiet.

- Retail sales dealer

Older clients who have more money and stability are still comfortable purchasing.

- Interior designer

San Francisco Bay Area, Silicon Valley continues with strong growth.

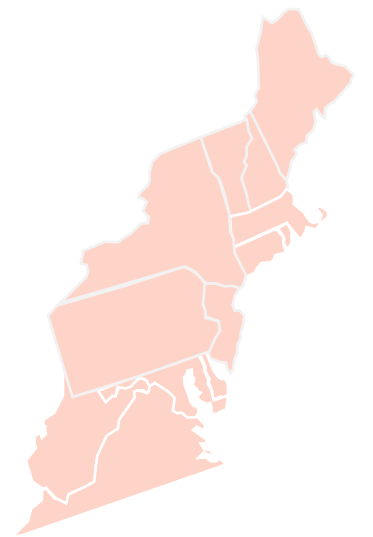
- Interior designer

Southern California market is soft, but there are **pockets of strength in Northern California.**

- Retail showroom



Northeast: Cautious tone prevails amid policy uncertainty. Luxury holds firm.



Northeast: demand outlook



Muted by economic uncertainty and policy volatility.

- Dealer, New York

Q4 2025 will be down. New quality leads are down 27%—this will lead to a slow Q1 2026.

- Design-build firm, Pennsylvania

People have begun to pull back significantly and demand will be weaker over the next six months.

- Design-build firm, New York

Many homeowners are investing in their current homes to accommodate multi-generational living and aging in place. Tariffs and other policy decisions remain a significant unknown.

- Showroom, Virginia

We expect demand to be similar to Q3 2024 and stronger than the first half of 2025; spending seems to have resumed, often for smaller projects.

- Design-build firm, New York

Demand seems to be strong and spending higher.

- Showroom, Connecticut

Northeast: demographics / market segments

Baby boomers are still strong. We're seeing a dip—and possible pent-up spending—from our middle-class client base.

- Design-build firm, Pennsylvania

Over 50 and over 60 customers are our core; younger adults rarely come in.

- Showroom, Virginia

Younger generations are underperforming. Many don't yet have properties to renovate.

- Kitchen designer, Northeast

Suburbs convenient to NYC have remained strong.

- Kitchen designer, Northeast

Luxury remains stable; the mid-market is contracting.

- Remodeler, New Jersey

Southwest: Consumers pull back on large projects. Upper-tier spending is steady.

Southwest: demand outlook



Consumers continue to table projects as tariff announcements are made and builders are pulling back on new starts.

- *Showroom, Colorado*

People are holding on to their money—doing projects themselves and smaller projects.

- *Showroom, Colorado*

I think consumers are afraid of taking on big expenses; they're uncertain about the economy and job security.

- *Design-build firm, Colorado*

Luxury clients are more reluctant. Refresh mid-range jobs are stopping.
Middle-income customers are not spending.

- *Design-build firm, Colorado*

As interest rates go down, we expect people to have more liquidity.

- *Showroom, Arizona*

Low spending as we head into the fourth quarter; low consumer spending and confidence.

- *Dealer, Nevada*

Southeast: demographics / market segments

Bathrooms continue strong; kitchens have fallen. We added screen rooms and are seeing good results.

- *Showroom, Arizona*

We see more affluent clients coming through the doors; our bread-and-butter clients have declined and are **more budget-conscious** than 2024.

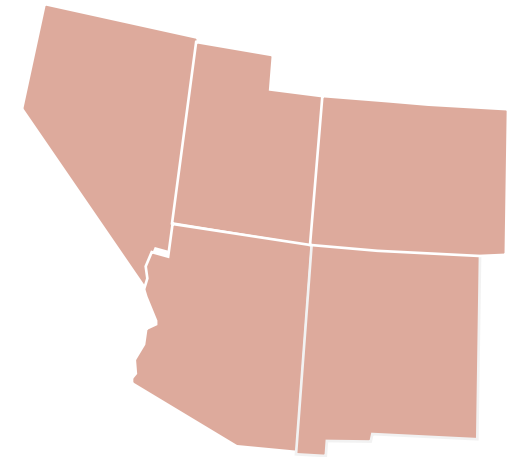
- *Kitchen designer, Colorado*

New multifamily is strong.

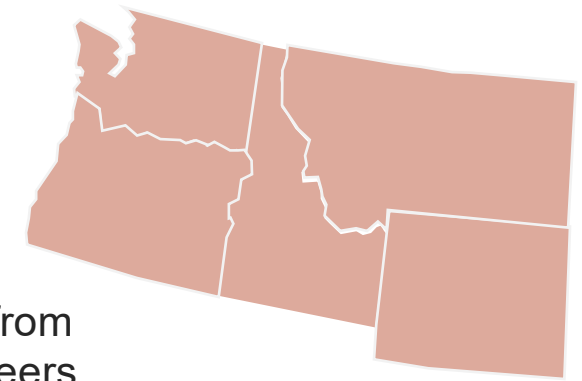
- *Dealer, Colorado*

Luxury/high-income clients likely won't change, although they may order ahead of price increases. Middle-upper-middle will opt for lower-cost items.

- *Design-build firm, Colorado*



Northwest: Wealthier clients sustain activity while most others wait and watch



Southwest: demand outlook



Down—**everything seems to be on pause**, waiting to see what the future holds. - *Cabinet shop, Oregon*

Interest rates continue to trend down. There's a lot of pent-up demand for housing that directly affects our sales.

- *Cabinet shop, Idaho*

We expect demand to remain strong—six months of construction already booked and several \$100K+ leads in the pipeline.

- *Design-build firm, Oregon*

Low- to mid-range customers are putting projects on hold or decreasing budgets. High-end/custom clients are moving forward.

- *Design-build firm, Washington*

We are hoping permitting improves so wildfire-affected projects can be revived. Fly-by-night companies are taking business from local firms.

- *Showroom, Hawaii*

Southeast: demographics / market segments

High-end consumers are over-performing.

- *Dealer, Idaho*

Water-view homes are still selling well; retirees and fixed-income clients are pausing more projects.

- *Design-build firm, Washington*

We're seeing strong demand from professionals—doctors, engineers, lawyers, high-tech—in walkable urban neighborhoods.

- *Design-build firm, Oregon*

The wealthy have found us and are a large part of our survival.

- *Showroom, Hawaii*



Methodology

Kitchen & Bath Market Index (KBMI)

This report gauges the pulse of the kitchen and bath industry in the United States. Conducted jointly by NKBA and John Burns Research and Consulting, the KBMI is based on a quarterly survey of members of the NKBA community.

The KBMI is a diffusion index comparing weighted responses of NKBA members on three key aspects of their business:

- 1) Most recent quarterly sales (**Current Activity**)
- 2) Perception of the health of the kitchen and bath industry (**Health of the Industry**)
- 3) Expected next quarter’s sales growth (**Near-Term Activity**)

In survey work, a **diffusion index** is used to highlight the main results on how a market, field, or industry is generally performing within a given time point. Our KBMI diffusion index value (ranging from 0 to 100) demonstrates how far responses vary from the baseline (50).

For example, a value not far from the baseline indicates little change, whereas a value far from the baseline indicates great change.

Values less than 50 indicate a tendency toward contraction, and values over 50 indicate a tendency toward expansion.

Survey responses

Segment	Responses	% of Total
Design	135	25%
Manufacturing	121	23%
Building and Remodeling	150	28%
Retail Sales	124	23%
Total responses	530	100%

Index weighting

Metric	Weight	Response Choices
Current Business Conditions	55%	Current quarter sales to prior year: <i>Higher, The Same, Lower</i>
Future Business Conditions	15%	Next quarter sales to current quarter: <i>Higher, The Same, Lower</i>
Health of Industry	30%	Rating on current economic health: <i>0 (Extremely Weak), 5 (Normal), 10 (Extremely Strong)</i>
Kitchen & Bath Market Index	100%	

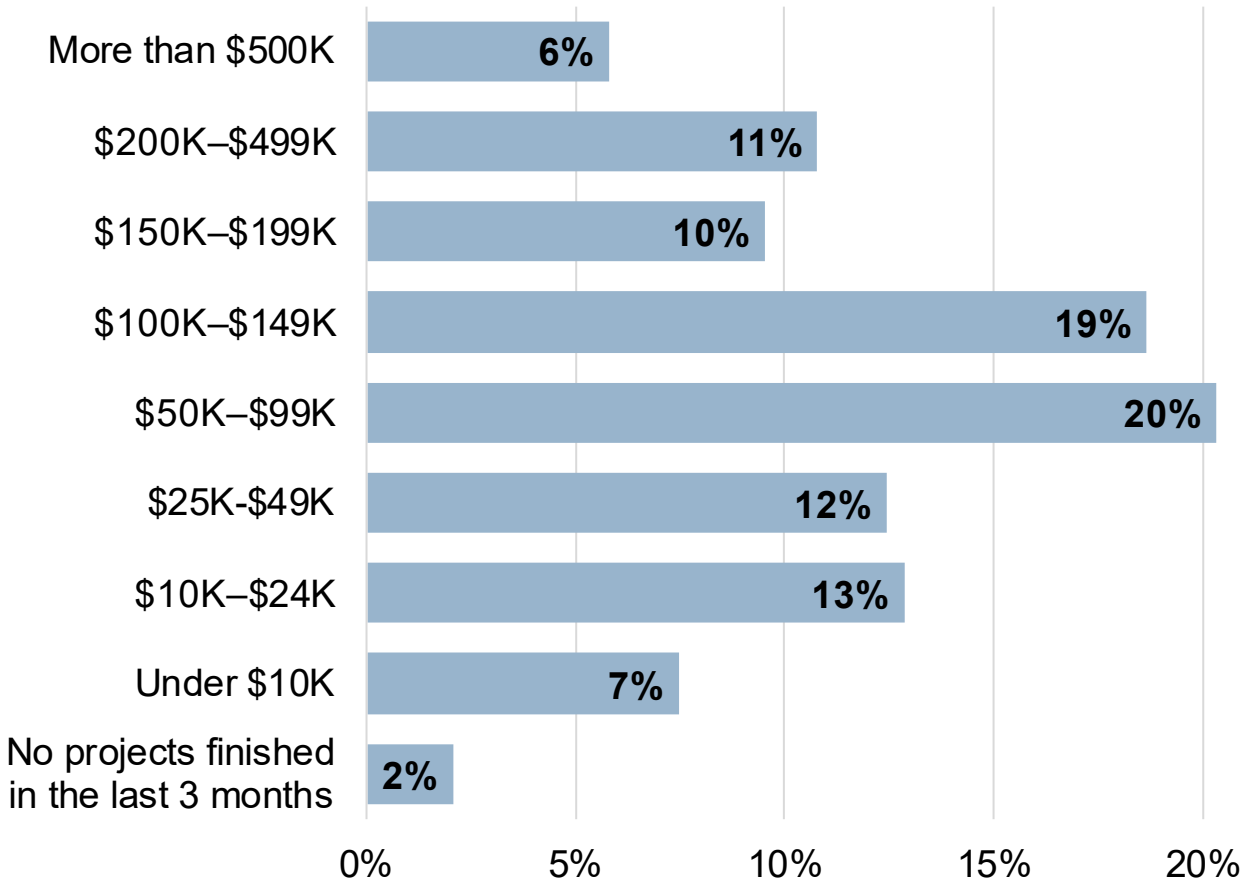
Note: % of total may not add to 100% due to rounding. *The current and future conditions diffusion indices are each calculated as: [100+100*(the share of respondents reporting “higher” minus the share of respondents reporting “lower”)] / 2.
Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

KBMI sample demographics

Conducted jointly by the National Kitchen & Bath Association and John Burns Research and Consulting, the 3Q25 report reflects findings from 530 NKBA members across 4 segments: design, building and remodeling, retail, and manufacturing.

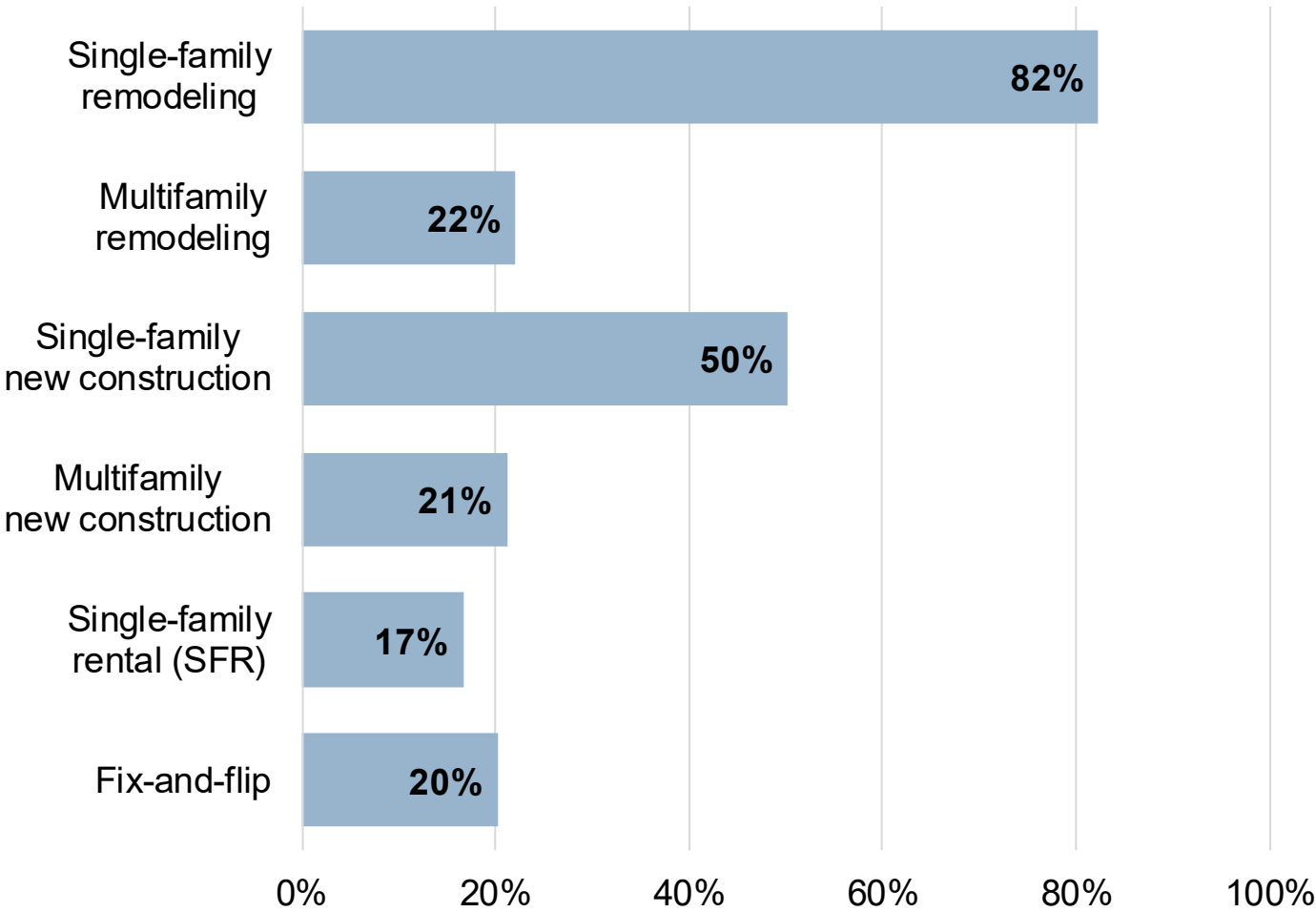
Kitchen and Bath Professionals' Average Cost Billed to Customers* the Last 3 Months

3Q25 *Note: This question was posed to retailers/showrooms, designers, and builders/remodelers.



Share of Kitchen and Bath Firms by End Market Exposure*

3Q25 *Note: Respondents were asked to select *all* end markets that their firm primarily engages with.



Sources: NKBA; John Burns Research and Consulting, LLC (Data: 3Q25, Pub: Oct-25)

Limiting conditions

The conclusions and recommendations presented in this report are based on our analysis of the information available to us from our research as of the date of this report. We assume that the information is correct and reliable and that we have been informed about any issues affecting project marketability or success potential.

Our conclusions and recommendations are based on the current and expected performance of the national and/or local economy and real estate market. Given that economic conditions can change and real estate markets are cyclical, it is critical to monitor the economy and real estate market continuously and revisit key project assumptions periodically to ensure they are still justified.

The future is difficult to predict, particularly given that the economy and housing markets can be cyclical and subject to changing consumer and market psychology. There will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and the differences may be material. We do not express any form of assurance on the achievability of any pricing or absorption estimates or the reasonableness of the underlying assumptions.

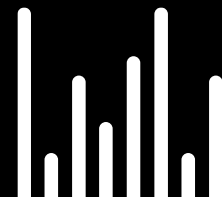
In general, for projects out in the future, we are assuming “normal” real estate market conditions and not a condition of either prolonged “boom” or “bust” market conditions. We assume that economic, employment, and household growth will occur more or less in accordance with current expectations. We are not taking into account major shifts in the level of consumer confidence, in the ability of developers to secure needed project entitlements, in the cost of development or construction, in tax laws that favor or disfavor real estate markets, or in the availability and/or cost of capital and mortgage financing for real estate developers, owners, and buyers. Should such major shifts affect real estate markets, this analysis should be updated, with the conclusions and recommendations summarized herein reviewed and reevaluated under a potential range of build-out scenarios reflecting changed market conditions.

We have no responsibility to update our report analysis for events and circumstances occurring after the date of our report. This analysis represents just 1 resource that should be considered when assessing a market opportunity.



Design: Darya Oswald of The Seydel Group
Photo: Kevin Crawford of Kevin Crawford Imagery, LLC

Kitchen & Bath Market Index



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