



# MANUFACTURERS REP GROUP INC.

BYRON CENTER, MICHIGAN

# March 2025

## NEWSLETTER

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### TIP OF THE MONTH

The NKBA is also growing substantially:

1. KBIS revenue grew 17% from 2024.
2. Dues revenue was up 60%.
3. Financial reserve balance has grown 240% from 2012 to almost \$40,000,000 for the first time in NKBA history. This fact suggests that the NKBA is on solid footing with enough reserve to weather any future potential storm.
4. NKBA also reported annual revenue growth of 125% per year since 2012.

...We can be choosy on who we do business with....

### KBIS 2025

By John Valente

Once again, our industry descended on Las Vegas in a huge way. The show had record attendance as industry professionals roamed three halls exhibiting products from all over the world.

As usual, the NKBA's president Bill Darcy, held his annual state of the association/industry talk. A few notable take aways during the state of the industry is as follows:

- The industry is poised for growth. In 2024 the market was stagnant due to uncertainty and higher interest rates. This changed during the last three months and consumers, after the election was settled, once again began to feel comfortable, which led to growth in January and February for the first time in several months.
- Existing home sales also increased during the last three months in 2024 allowing for the new year to start with an increase in new home sales for the month of January, also signaling growth.
- Our industry outlook is bullish because of a record amount of home equity levels, continuing wealth transfer from retiring baby boomers, and most consumers now accepting higher interest rates as normal rather than abnormal in previous years.
- The only downside to substantial growth in 2025 is that middle income consumers are still on the sidelines and have not reentered the market.
- The fix and flip consumers are expected to return since real estate professionals are encouraging many homeowners wishing to sell, to fix up the kitchen and master bath areas to help market their home.
- High income consumers will continue to drive the luxury market. This trend will last for several years which is fueling the forecast for residential kitchen and bath expenditures to exceed \$235 Billion for the first time.

A lot of statistics, analysis, and research went into the above, but what does it mean to each of us? Will consumer confidence return to our local market? Do we become more bullish on our individual forecasting and projections??

The answers to all of these are yes. We also can be choosy on who we do business with. Many dealers are continuing to report that end users are particularly difficult, arrogant, unreasonable, and are generally thinking that they are entitled to receiving product that meets their individual expectations rather than the outlined and published specifications of the manufacturer who produced the product. Our job is to be careful, be choosy, engage consumers who will advance your reputation and profit and make sure that the difficult customers purchase from your competition.