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**“Kitchen and Bath Market Index” Shows Sustained Industry Expansion**

**In Second Quarter**

*Report by National Kitchen & Bath Association and John Burns Real Estate Consulting Finds Steady Industry Growth, Though Availability of Skilled Labor and Material Costs Remain Challenges*

**HACKETTSTOWN, NJ — (August 5, 2019)** — The National Kitchen & Bath Association (NKBA) and John Burns Real Estate Consulting today released the 2019 second-quarter Kitchen and Bath Market Index (KBMI) report — the definitive gauge of kitchen and bath industry conditions. With a KBMI of 65.7 and scores above 50 indicating growth, the industry remains strong, demonstrating an optimistic view of sales, which are expected to grow by 4.7 percent in 2019. The report reveals that increases in consumer spending are being driven primarily by rising material and labor costs, as opposed to customer discretion.

Conducted quarterly, the index gauges the economic pulse of the industry by examining current demand and future expectations in addition to monitoring sentiment among designers, manufacturers, retailers and building/construction firms. The availability of skilled professionals, cost of materials and trade issues top the list of overall challenges for the second consecutive quarter. Lack of skilled workers is the chief concern among building and construction firms, while designers point to a slowing luxury market and shift to lower price points as the biggest barriers to growth. Still, the report shows 57 percent of customers have increased total spending since 2018.

“As the leading trade association and advocate for the kitchen and bath industry, one of NKBA’s goals is to arm our members with market insights, as well as to raise awareness about impactful industry challenges,” said Bill Darcy, NKBA CEO. “Although NKBA members are still optimistic about current and future kitchen and bath business conditions, there are signs of changes in the marketplace that we are monitoring closely.”

"We are pleased to partner with NKBA to release the Q2 KBMI, an essential barometer for the industry,” added Todd Tomalak, Senior Vice President of Research for John Burns Real Estate Consulting. “This understanding of the health of building/construction, manufacturing, design and sales in the kitchen and bath sector provides additional context through which to view macroeconomic trends and directions.”

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Key takeaways from KBMI’s second-quarter report include:

* **Future outlook remains positive:** The industry is more optimistic about future conditions (69 index reading) than about current conditions (63 index reading). This is similar to Q1, which saw a 76 index for future business conditions and 68 for current.
* **Next quarter sales expected to increase:** More than half (53%) of industry experts expect sales growth in Q3, while one-third (36%) predict sales will remain flat YOY. Manufacturers are the most optimistic among respondents, with 63 percent expecting growth and less than 10 percent anticipating a decline.
* **Industry health remains steady**: The kitchen and bath industry rates current industry health at a 6.6 out of 10, comparable to Q1’s 6.8. Building and construction firms rate the industry as healthiest, at a 7 out of 10, while manufacturers estimate 6.7 and retail sales and designers come in at 6.6.
* **Gradual growth:** The kitchen and bath industry is still expanding with an index score of 65.7, but not at the rate seen in Q1, when the KBMI hit 71.

Obtain the free NKBA KBMI Q2 report [here](https://nkba.imagerelay.com/share/9cbbf5daf20c48a1b3e3634e97c0f610).

Images: NKBA KBMI logo [here](https://nkba.imagerelay.com/share/2e19479b739d4337b2839c75bef23ac1).

**About the National Kitchen & Bath Association and the Kitchen & Bath Industry Show**

The National Kitchen & Bath Association (NKBA) is the not-for-profit trade association that owns the Kitchen & Bath Industry Show® (KBIS), as part of Design & Construction Week® (DCW). With thousands of member companies representing tens of thousands of members in all segments of the kitchen and bath industry, the NKBA has educated and led the industry since the association’s founding in 1963. The NKBA envisions a world where everyone enjoys safe, beautiful and functional kitchen and bath spaces. The mission of the NKBA is to inspire, lead and empower the kitchen and bath industry through the creations of certifications, marketplaces and networks. For more information, visit NKBA.org or call 1-800-THE-NKBA (843-6522).

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**About John Burns Real Estate Consulting**

John Burns Real Estate Consulting is an independent research provider and consulting firm focused on the housing industry. John Burns founded the company in 2001 because he saw a need for better analysis on the housing market. The company has grown to a highly passionate team of research analysts and consultants in offices across the country, who work together to provide the most trusted source of US housing analysis. John Burns Real Estate Consulting’s research subscribers receive the most accurate analysis possible to inform their macro investment decisions, and the company’s consulting clients receive specific property and portfolio investment advice designed to maximize profits. For more information visit [**www.realestateconsulting.com**](http://www.realestateconsulting.com).

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