

HOME FURNISHINGS

What millennials are looking for to decorate their homes

January 29, 2020



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Now that millennials the largest American generation in history some **80 million-strong** are aging into the prime years for buying home furnishings, it should be glory days for furniture and home furnishings stores. But that is decidedly not the case.

Through November 2019, **retail sales** in that segment were up only 0.4 percent, while retail as a whole advanced 3.2 percent.

Of course, this generation has dragged its feet in what is popularly called adulting. They have achieved the milestones of adulthood later in life than previous generations, like setting up an independent household, getting married and having children.

But now aged 24 to 39 years, signs are that they are beginning to catch up.

Millennials are finally buying homes

Today the millennial cohort is **out-earning** any previous generation at a comparable age, largely due to this generation being more **highly educated** than any other. And they are finally putting that greater spending power toward an investment in homes.

At the end of 2018, **millennials overtook Gen-Xers** as the largest generation in the mortgage market, representing 45 percent of all new mortgages compared with 36 percent for Gen X and 17 percent for Baby boomers. In addition, they have taken on larger mortgages than any previous generation as well.

The purchase of a new home sets up a buying frenzy for all the stuff to furnish and decorate that home. Goldman Sachs reports that the peak buying years for homes is between 25 to 45 years.

Personal finance expert **Farnoosh Torabi**, who hosts the SoMoney Podcast which focuses on Millennials and money, says research indicates that millennials are even more interested in buying a home than their parents were, so the home furnishings market has demographic tailwinds to propel it forward.

That is, if retailers deliver the styles and designs, as well as the shopping experiences that will appeal to millennials. Complicating prospects for traditional furniture and home furnishings stores is how rapidly consumers are turning online for their purchases.

Trade credit insurance firm [Atradius estimates](#) that 90 percent of customers start their furniture shopping online and many tend to stay there.

Ecommerce's share of the consumer durables sales, which includes appliances, furniture and electronics, is expected to account for about 20 percent of the industry's total over the next five or so years.

In 2017 an estimated 13 percent of consumer durable sales were made online.

For bricks-and-mortar home furnishings retailers, it will be survival of the fittest. During 2018 [Atradius](#) found some 7,000 consumer durable stores closed in 2018, with only 3,000 replacing them.

To provide home furnishings retailers guidance for the future, I spoke with two industry insiders ahead of the curve in how Americans will be decorating their homes.

Since interior design trends start at the high-end and percolate down to the mass market, I turned to Cheryl Eisen, founder and CEO of New York-based [Interior Marketing Group](#), which claims to be the largest luxury real estate design and marketing firm in the United States, for her take on the emerging style and design trends.

And because online ecommerce is making such in-roads in consumers' pre-purchase research, I also spoke with Alessandra Wood, vice president of style who also holds a Ph.D. in the history of design at [Modsy](#).

Modsy is an online design service that sources products from more than 100 of the leading popularly-priced furnishings retailers, including Pottery Barn, West Elm, Wayfair, Crate & Barrel, Joybird and Ravine Home.

From their distinctly different vantage points, both experts agree that mixing high-low furnishings is a shopping trend that is transforming the nature of the home furnishings business.

Trend 1: Mixing high-low

"We do it all the time," Ms. Eisen said, referring to her client base which ranges from \$5 million to \$100 million homes.

"We have used IKEA cabinetry and we find IKEA furniture that is upscale looking," adding that her company has a fabrication department that can effectively turn an IKEA sofa's ear into a silk purse.

One reason why the high-low trend is so strong is that all consumers are influenced by the same thing: the HGTV channel.

"Those designers have stepped up their game and mix low-end affordable pieces with more expensive pieces and it comes out very elegant and elevated," Ms. Eisen believes.

Another is that consumers are increasingly familiar with the major home furnishings brands and retailers through their advertising and store presentations.

"Our Modsy customers are currently shopping at the big retailers," Ms. Wood said. "They have trust and faith in those brands and take many ideas and inspiration from them."

This has drawn Ms. Eisen's high-end clients used to shopping exclusive designer showrooms to the RH brand.

"A lot of our clients request RH," Ms. Eisen said. "They have really nailed it in modular, functional and very comfortable pieces, and their gallery stores are breathtaking," adding that [RHModern](#) has a design aesthetic that her clients find most appealing.

And high-low shopping is big because all customers are looking to stretch their budgets.

"We help our clients understand where to splurge and where to save," Ms. Wood said.

Everyone, no matter how much money they have to spend, appreciates a bargain.

In a [survey with nearly 4,000 Modsy customers](#), the biggest home design challenge they face is setting a budget. Modsy plays to that by offering exclusive discounts off its retail partners' prices.

Trend 2: Less is more minimalism

A minimalist design approach appeals to today's customers who have been influenced by Marie Kondo's Konmari "Tidy your space, transform your life" philosophy.

"We have gone way minimalist in our accessorizing," Ms. Eisen said. "And we'd rather have fewer pieces that are more interesting and beautiful versus more pieces. Too much stuff, too many tchotchkes, detract from the beauty of a space."

For both Ms. Eisen and Modsy's clients, the new minimalism finds expression in midcentury modern design. It is the top design choice in Modsy's survey, voted by 42 percent of its customers as a look they love.

But Ms. Wood also finds that its customers are mixing up midcentury modern pieces with the modern farmhouse look, which is its second-most requested style, thanks largely to Joanna and Chip Gaines' *Fixer Uppers* show.

Ms. Wood explains that urban sleek midcentury modern and down-home country looks can be effectively combined in an eclectic way that take the sometimes hard edges off the more "in your face" elements of classic midcentury "so it feels softer."

Ms. Eisen finds that midcentury pieces play well with other styles, too.

"The feel of midcentury modern with its straight arms, simple shape and lower profile sofas and chairs is timeless and they can be mixed beautifully with different periods," she said.

Trend 3: Maximalizing a minimalist space, architectural elements

With consumers aiming for the most decorative bang in their minimalist-decorated homes, they are looking for statement pieces that can virtually stand on their own.

"We look for a sculptural piece, something unusual with some interesting shapes that adds visual interest," Ms. Eisen said, particularly when designing a minimalist room. She describes the concept as defining "negative space."

This idea of negative space, or making the most of empty spaces, brings a new emphasis on the architectural elements of a room.

"The architecture stays," Ms. Eisen said. "You want the architecture and the views of the home to be the star of the show, so you want the decorative elements to honor that and not compete with it."

In decorating their homes, people are redefining how they relate to the space around them. For Modsy's clients decorating a small space is a greater design challenge than decorating a space that is too big.

And they need help taking design inspiration from their specific location so they get the size and scale right.

So Modsy designers start with detailed measurements and pictures their clients take of their rooms and deliver back 3D renderings of design options for the space based upon a style quiz the client takes.

It is a high-tech approach to a high-touch decorating service.

"We fuse technology and design into a powerhouse for servicing our clients," Ms. Wood said.

Trend 4: What is on the wall is as important as what is on the floor

With new ideas about how people relate to their space and with an emphasis on the architectural elements of the room, Ms. Eisen sees the walls as taking on more importance.

"One of the biggest mistakes people make when designing their home is art on the walls, its placement and scale," she said.

Ms. Eisen sees the minimalist trend expressing itself on the walls through fewer gallery walls with a jumble of smaller individual pieces in favor of singular, oversized statement pieces that pop.

"If you have a just one piece of oversized art next to a sculptured chair, that is the moment," she said.

Interestingly, Modsy's Ms. Wood reports that the terms "Chair" and "Art" are number one and number two on the list of most popular search terms for its customers.

Trend 5: Au naturale sustainability with a twist

Consumers' rising environmental consciousness is placing an emphasis on sustainable, organic fabrication and materials, including recycled and repurposed elements.

Ms. Eisen feels the current marketplace has nowhere near enough organic and eco-friendly options to fill this growing need.

"But even if we can do 50 percent of our designs in green products, that is better than before," she said.

With consumers' interest turning to sustainability, it translates into a demand for more natural colors and textures.

Ms. Eisen sees the color palette turning away from cool tones to more warm tones in paint and fabrics. She also sees growing interest in subtly textured wall coverings, such as grasscloth wallpaper, as well as more texture provided by natural woods, boucle, boiled wool, canvas, mohair and sisal fabrications.

Ms. Wood sees the same interest in sustainability and the environmental impact of home design among Modsy's clients.

"We are seeing a desire among our customers to shop sustainable and invest in quality pieces that they can keep for years," Ms. Wood said, adding by layering on natural textures it "really softens the space and makes it feel more organic."

The au naturale trend is also measured in Modsy's database with the term "Plant" being the fifth most popular search term. But, ironically, it is "not necessarily having live plants," Ms. Wood said.

People want the green feel and texture of plants without the maintenance worries. Artificial plants give it to them.

"The millennials are huge travelers and don't want to worry about watering them or having a space without great lighting," Ms. Wood said. "Artificial plants always look perfect and have that feel of foliage."

Trend 6: Home is for living

Ms. Eisen's Interior Marketing Group has two divisions: staging homes for sale and custom interior design. Both are about designing spaces for living, but in staging a home, it is focused on designing a space where people can imagine themselves living.

In its interior design work, it is about creating a space customized to the way clients actually live.

"It is all about creating an experience and a place that, as Marie Kondo says sparks joy," Ms. Eisen said.

For Modsy's clients, comfort is king.

"We are asked all the time to design comfy spaces," Ms. Wood said. "People want their spaces to feel comfortable. They want their homes to be put together and look well designed, but they want to use them."

"People are spending more time in their homes," she said. "Instead of going to movies, people are streaming movies and they are entertaining more at home. So people are asking for their homes to be comfortable, visual and functional."

Prime time for home decorating is right around the corner

In closing, Modsy's customer survey reveals that spring is the season when the largest share of customers are thinking about refreshing their home. Some 24 percent are inspired to make changes in the spring, as compared with 20 percent in the fall, 10 percent in summer and 6 percent in winter.

THAT MEANS furniture and home furnishings retailers still have time to incorporate these six major design trends into their stores to get ready for new customers in search of design ideas to make their homes more livable, comfortable and enjoyable for years to come.

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