

City Furniture Expanding Throughout South Florida

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By Elaine Walker, The Miami Herald

June 5--Sales at City Furniture haven't returned to the boom days of 2006, but owner Keith Koenig is ready to start investing in the future. Koenig just finished a \$4.5 million renovation and expansion of the Dadeland City Furniture store. Within the next 60 days, construction will begin on four new stores in the tri-county area under the City Furniture and Ashley Furniture brand names. The openings will come in 2013.

Most of the land for the new store expansions in Cutler Bay, Fort Lauderdale and West Palm Beach was purchased three to five years ago. But the Tamarac-based company put expansion plans on hold when business took a nose dive, plummeting from a record high of more than \$300 million in annual revenue in 2006 to a low point of \$208 million in 2009. Between real estate and construction, Koenig expects to invest about \$25 million in the four stores.

Koenig sees signs for optimism. Sales have been growing for each of the past two years, hitting \$230 million in 2011 --a 6 percent jump over the previous year. Koenig expects similar growth this year, with sales reaching \$245 million. With home prices starting to rise and new construction returning, the real estate market is at least heading in the right direction.

"I can't time the future, but I know the housing market is going to come back," Koenig said "We believe there is a lot of pent-up demand and the furniture business is going to grow. "We're in it for the long haul. I want to have the right stores in the right places. It's not going to be any cheaper in the future." While Koenig has been expanding more aggressively than other South Florida-based furniture retailers, he's not the only one growing. El Dorado Furniture in April bought a shopping center in Fort Myers and plans to open its first store on the west coast next year. Baer's Furniture last year expanded its presence in Kendall by purchasing the former Carls Furniture store. Rooms to Go has been expanding both in South Florida and around the state.

Industry experts agree it's the right time to start growing again, as consumers are once again spending money, although deflationary pressure is keeping many furniture retailers from seeing large gains in sales dollar volumes.

"The consumer is buying, but they're buying at a lower average ticket," said Britt Beemer, chairman of America's Research Group. "New stores are very important for retailers to keep an updated and contemporary image as a place that people want to shop. If you are expanding, consumers will look at you as an up and coming store."

All of the new stores, as well as the remodeled Dadeland-area shop, are designed to receive Leadership in Energy and Environmental Design (LEED) certification from the U.S. Green Building Council. Stores also feature a wider assortment of contemporary furniture and a new layout to help shoppers better visualize how the furniture might look in their homes.

Silvia Trujillo had never bought from City Furniture until last week, when she was shopping for furnishings for a new vacation house in the Florida Keys. After making the rounds to all the stores in the area over recent weeks, she ended up back at the City Furniture in Dadeland to purchase beds, a dining room table, bar stools and more. "They definitely have the best prices for the look," said Trujillo, a Miami resident. "Hopefully it has the quality."

For those who can't make it to a store, there's another alternative. City Furniture in the last week finished putting its entire catalogue of 5,000 pieces of furniture and another 2,000 accessories online. By August, shoppers will be able to buy directly online, complete a credit application and schedule a delivery.