INDIA HOME FURNITURE MARKET

Size & Share Analysis - Growth Trends and Forecast, 2026-2031

Mordor Intelligence | 2026

Market Overview

Mordor Intelligence estimates the India home furniture market at USD 25.20 billion in 2025, rising to USD 27.27 billion in 2026 and USD 40.53 billion by 2031. This represents an 8.24% CAGR during 2026-2031. The market is described as having low concentration.

Indicator	Figure
Study period	2020-2031
Forecast period	2026-2031
2025 market size	USD 25.20 Billion
2026 market size	USD 27.27 Billion
2031 market size	USD 40.53 Billion
CAGR, 2026-2031	8.24%
Market concentration	Low

Key Report Takeaways

- Living room and dining room furniture held 36.72% market share in 2025; home office furniture is projected to grow at 11.60% CAGR through 2031.
- Wood held 61.95% share in 2025; metal furniture is forecast to grow at 13.73% CAGR through 2031.
- Mid-range furniture captured 48.25% share in 2025; premium is expected to grow at 11.34% CAGR through 2031.
- Specialty furniture stores accounted for 74.85% share in 2025; online channels are projected to grow at 13.62% CAGR through 2031.
- North India held 28.90% share in 2025; East India is projected to grow at 9.45% CAGR through 2031.

Market Growth Drivers

Driver	Mordor impact estimate
Government-backed housing completions	+2.2% directional impact on CAGR
Compact urban homes / modular purchases	+1.8%
Omnichannel expansion	+1.5%
Premiumization through EMI / BNPL	+1.3%
BIS QCO rollout	+0.9%
Coastal durability needs	+0.5%

Compact Urban Homes and Modular Furniture

Space constraints in major metros are pushing households toward hydraulic-lift beds, sliding wardrobes, fold-out desks and nested tables. Organized brands are responding with configurable ranges designed for compact apartments. The report also notes Spacewood's INR 300 crore funding to expand modular kitchens, wardrobes and multi-functional systems.

The Furniture Quality Control Order, effective from February 2026, is described as standardizing safety and performance baselines for modular categories and supporting greater trust in certified products.

Omnichannel Expansion

Online discovery is increasingly paired with studios and experience centers where buyers can test finishes, ergonomics and configurations. Mordor reports that online sales contribute more than 30% of IKEA India's revenue. Pepperfry's network of 200+ studios across 100+ cities is cited as another example of offline touchpoints supporting high-value furniture purchases.

AR visualization and room-accurate configurators are also being used to reduce fitting uncertainty and connect design decisions with installation.

Government-Backed Housing and Financing

The report states that PMAY-Urban had delivered 96.02 lakh homes by November 2025, with 122.06 lakh sanctioned across both phases. This supports first-time furnishing demand for bedroom, dining and storage products, particularly in economy and mid-range tiers.

No-cost EMI and BNPL are helping buyers access higher-spec modular kitchens and living-room furniture. Mordor describes this as contributing to premium cues within mid-range purchases, particularly in metropolitan markets.

Market Restraints

Restraint	Mordor impact estimate
Dominance of unorganized sector	-1.9% directional impact on CAGR
High reverse-logistics / last-mile costs	-0.8%
Imported timber and board exposure	-0.7%
BIS compliance costs during transition	-0.4%

The unorganized sector remains a major volume channel in many districts, creating fragmented pricing and quality outcomes. Organized brands must absorb certification, formal logistics and service costs while competing with local workshops. Bulky furniture also creates substantial reverse-logistics costs, particularly in tier-II and tier-III markets where delivery, assembly, damage claims and reshipments can pressure margins.

Segment Analysis - Product

Living room and dining room furniture led the market with 36.72% share in 2025. Home office furniture is the fastest-growing product group, forecast at an 11.60% CAGR through 2031 as hybrid work supports demand for ergonomic seating, adjustable desks and storage.

Segment Analysis - Material

Wood retained a 61.95% share in 2025, reflecting preferences for natural finishes and durability. Metal furniture is projected to expand at a 13.73% CAGR through 2031. The report also identifies engineered boards, polymer wicker and weatherable plastics as increasingly relevant where standardization, humidity resistance, lower waste and mass-manufacturing efficiency matter.

Segment Analysis - Price Range

The mid-range tier held 48.25% share in 2025. Premium furniture is forecast to grow at an 11.34% CAGR through 2031, supported by financing, modular kitchens, coordinated room sets, craftsmanship, warranties and curated finishes.

Distribution Channels

Specialty furniture stores commanded 74.85% share in 2025 because buyers continue to value physical checks of upholstery, finish and hardware for large purchases. Online channels are forecast to grow at a 13.62% CAGR through 2031 as visualization, delivery transparency and return policies improve. Mordor describes online and offline increasingly functioning as one demand funnel.

Geographic Analysis

- North India held 28.90% share in 2025, supported by Delhi-NCR housing formation and trade clusters in Uttar Pradesh, Rajasthan and Haryana.
- South India remains important for modular kitchens, contemporary living-room solutions and home-office furniture, particularly in Bengaluru, Hyderabad, Chennai and Kochi.
- East India is forecast to grow fastest at 9.45% CAGR through 2031, supported by housing, infrastructure, local manufacturing and improving logistics.

Competitive Landscape

The market is fragmented, while organized players are expanding omnichannel footprints, design capabilities and regulatory readiness. Mordor highlights IKEA's planned India investment of more than INR 20,000 crore over five years and Godrej Interio's target of INR 10,000 crore revenue by FY29 through a 1,500-store omnichannel footprint.

- Godrej Interio
- IKEA India
- Wakefit
- Spacewood Furnishers
- Royaloak

Recent Industry Developments

- February 2026: Godrej Interio announced a refreshed soft furnishings collection and disclosed its Godrej Design Lab Fellows for 2026.
- January 2026: IKEA India opened its first Delhi store at Pacific Mall, Tagore Garden, with 15,000 sq ft and more than 2,000 home furnishing products.
- November 2025: Spacewood Furnishers raised INR 300 crore from A91 Partners at an INR 1,200 crore valuation.
- September 2025: TCC Concept acquired Pepperfry for INR 1,200 crore. AFC Furniture Solutions became the first Indian manufacturer to achieve BIFMA Level 3 certification.

Market Opportunities and Report Scope

- Premium modular storage for sub-800 sq ft apartments in tier-1 and tier-2 metros.
- BIS-ready local component ecosystems for hinges, slides and boards to reduce import risk.

The report segments the market by product, material, price range, distribution channel and geography, with forecasts provided in value terms (USD). Product coverage includes living and dining room, bedroom, kitchen, home office, bathroom, outdoor and other furniture.