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Furniture's future: Study identifies area among top 10 least expensive places for factories

by Pam Haynes

06.08.10 - 09:10 pm



GUILFORD COUNTY – High Point has experienced its share of heartbreaks in losing furniture manufacturing jobs to offshore locations, but a new study reveals that the area maintains its position as one of the most cost-effective sites in North America to operate a furniture factory.

According to a BizCost study, conducted by the Princeton, N.J.-based-Boyd Company, the High

Point/Greensboro area is among the 10 “lowest cost manufacturing sites” among 72 areas in the United States and Canada surveyed. The annual cost to operate a furniture factory in the area came in at \$18.1 million. The lowest contender in the study was the Leland/Greenville, Miss., area at \$16.7 million a year, while San Jose, Calif. ranked highest at \$25 million a year.

And what exactly keeps the operating costs in High Point so low? John Boyd Jr., a principal at the firm, said it has a lot to do with the area’s history as well as with what’s going on in other parts of the world.

“You really can’t put a price tag on that,” Boyd said about the area’s reputation for furniture. “There’s a way to tell the story of the High Point region to a global corporate office.”

Boyd notes that the glory days of domestic furniture manufacturing mostly are over, but, as economic conditions improve, some companies likely are to come back or relocate to the area.

The fact that High Point and Greensboro have an infrastructure of industrial space at about \$2.25 per square foot is a benefit to potential companies, he said, but tensions in China and problems in Europe also make the region an ideal place to build a brand.

“Beijing is becoming very hostile to multi-national corporations,” he said. “I also see an opportunity to attract a European investment because of the favorable exchange rate versus the euro. A German or Spanish company may want to come to the U.S. to capitalize on cost efficiencies versus the euro while taking advantage of some of the old industrial space and branding themselves as part of the next tradition of High Point furniture.”

Loren Hill, president of the High Point Economic Development Corp., said High Point’s placement among the top 10 is “not a surprise, but it is a most welcome ranking that we will be sure to tout to prospective companies.”

“It has been well known for years that High Point and the Piedmont Triad region are a cost-effective location for doing business,” Hill said.

phaynes@hpe.com | 888-3617

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