Smart Homes and Home Automation is the second consecutive report from Berg Insight analysing the latest developments on the connected home markets in Europe and North America.

This report in the M2M Research Series provides you with 160 pages of unique business intelligence including 5-year industry forecasts and expert commentary on which to base your business decisions.

**Highlights from the second edition of the report:**
- **Insights** from 30 executive interviews with market leading companies.
- **360-degree overview** of the smart homes & home automation ecosystem.
- **Summary** of industry trends in key vertical market segments.
- **Statistical data** on adoption of smart home systems in Europe and North America.
- **Market forecasts** lasting until 2017.
- **Detailed reviews** of the latest initiatives launched by industry players.
- **Updated profiles** of the key vendors on this market.

**Berg Insight’s M2M Research Series**
What are the key business opportunities in the emerging wireless M2M market? Berg Insight’s M2M Research Series is a unique series of market reports published on a quarterly basis. Each title offers detailed analysis of a specific vertical application area such as smart metering, fleet management or vehicle telematics. Once per year we also publish summaries of our research with detailed forecasts for the Global and European wireless M2M markets, respectively.

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36 million homes in Europe and North America will be smart by 2017

Smart homes and home automation are ambiguous terms used in reference to a wide range of solutions for controlling, monitoring and automating functions in the home. Berg Insight’s definition of a smart home system requires that it has a smartphone app or a web portal as a user interface. Devices that only can be controlled with switches, timers, sensors and remote controls are thus not included in the scope of this study. Smart home systems can be grouped into six primary categories: energy management and climate control systems; security and access control systems; lighting, window and appliance control systems; home appliances; audio-visual and entertainment systems; and healthcare and assisted living systems.

North America is the most advanced region in the world for smart home assisted living systems. An estimated 0.7 million of these were multifunction or whole-home solutions with an installed base of 3.5 million systems at the end of 2012. North America is the most advanced region in the world for smart home assisted living systems.

appliances; audio-visual and entertainment systems; and healthcare and control systems; lighting, window and appliance control systems; home energy management and climate control systems; security and access study. Smart home systems can be grouped into six primary categories:
sensors and remote controls are thus not included in the scope of this user interface. Devices that only can be controlled with switches, timers, home system requires that it has a smartphone app or a web portal as a automating functions in the home. Berg Insight’s definition of a smart reference to a wide range of solutions for controlling, monitoring and smart home solutions whereas 2.8 million were point solutions designed for one specific function such as climate control or security. As some homes have more than one smart system in use, the installed base represents a total of around 2.9 million smart homes. Market growth has been very strong during the first three quarters of 2013 and North America is on track to reach an installed base of 5.5 million smart home systems by the end of the year. Between 2012 and 2017 the installed base is forecasted to grow at a compound annual growth rate (CAGR) of 55.0 percent to reach 31.4 million smart home systems. Berg Insight estimates that the North American market was worth US$ 1.6 billion (EUR 1.2 billion) in 2012, including revenues from hardware, services and installation. The market is expected to grow at a CAGR of 42 percent between 2012 and 2017, reaching US$ 9.4 billion (EUR 7.1 billion) in yearly revenues at the end of the forecast period.

The European market for smart home systems is still in an early stage and approximately three years behind North America in terms of penetration and market maturity. At the end of 2012, there were a total of 1.06 million smart home systems in use in the EU27+2 countries. Around 0.15 million of these systems were multifunction or whole-home systems whereas 0.91 million were point solutions. This corresponds to around 0.93 million smart homes when overlaps are taken into account. Market growth has been solid during the first three quarters of 2013 and Europe is on track to reach 1.45 million smart home systems by the end of the year. Berg Insight forecasts that the installed base of smart home systems in EU27+2 will grow at a CAGR of 56.0 percent in the next five years to reach 17.4 million systems by 2017. Smart home solution revenues in EU27+2 reached an estimated EUR 0.39 billion (US$ 0.52 billion) in 2012. The market is expected to grow at a CAGR of 46.0 percent between 2012 and 2017 to reach EUR 2.6 billion (US$ 3.4 billion) at the end of the forecast period.

This report answers the following questions:

- Which are the main verticals within smart homes and home automation?
- What are the main drivers behind growth in Europe and North America?
- What are the main challenges and roadblocks towards widespread adoption?
- What are the business models and channels-to-market of smart home vendors?
- How are product OEMs and whole home solution vendors positioning themselves?
- What home connectivity technologies are smart home system vendors betting on?
- What is the potential market size for cellular M2M in home automation?
- How will the global smart home market evolve in the next five years?
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5.3 North America
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**About the Author**

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