

HVAC Services - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)

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Abstracts

The HVAC Services Market size is estimated at USD 65.72 billion in 2024, and is expected to reach USD 89.11 billion by 2029, growing at a CAGR of 6.28% during the forecast period (2024-2029).

The HVAC market is driven by the growing demand for HVAC equipment due to growing health concerns, increasing construction of residential buildings and commercial spaces, and the growing data center market.

Key Highlights

Clean heating technologies, including district heating, heat pumps, and renewable and hydrogen-based heating, are gaining traction worldwide to meet the Sustainable Development Scenario (SDS), which drives the implementation services and positively influences the market demand.

The construction industry across the globe is also growing exponentially. The public and private sectors embrace the concept of green building, which presents a significant growth opportunity for HVAC Services.

The explosion in demand for data centers has attracted the attention of investors of all types, namely growth capital, buyout, real estate, and, increasingly, infrastructure investors. Data centers are generally owned and operated either by big companies such as banks, cloud vendors, or telcos for their purposes or by co-location companies. The latter leases the space and provides network capacity, power, and cooling equipment to lower server temperatures. Tenants bring their IT equipment.

Labor shortage may be observed as a significant challenge evolving out of the HVAC services market. However, despite these challenges, the market has flourished due to various essential steps manufacturers and other service-providing companies took.

Post-COVID-19 pandemic, governments worldwide have increased healthcare spending and built efficient infrastructure. For example, the Government of India is retrofitting old government hospitals with the latest equipment and technology. This is expected to increase the demand for HVAC services. However, rising inflation and interest rates have further decreased consumer spending and hampered the sales of HVAC equipment in the previous year, restricting the growth of HVAC services.

HVAC Market Trends

Residential Segment Holds Major Market Share

The Population Reference Bureau estimated the global population to be 8.01 billion in 2023 from 7.9 billion in 2022. The degree of urbanization was 57% in 2023, and it is expected to increase in the coming years. The growing population, urbanization, and residential construction have resulted in a high demand for HVAC services in the residential sector, leading to the installation of new systems. In various regions, a proactive and preventative approach is adopted to maintain residential buildings to avert future problems. This encompasses the maintenance and repair of residential HVAC systems, including resolving leaks, corrosion, and any hot or cold air distribution issues.

Regular maintenance and repairs are essential in the residential sector to ensure optimal performance of HVAC systems. One of the major advantages of regular HVAC maintenance and repairs is the ability to maximize the system's efficiency. Without proper maintenance, the system may face difficulties in functioning, resulting in increased energy consumption and higher costs in the long run. As the demand for efficient practices continues to rise in the residential sector, the need for HVAC services will also increase.

In various regions like Europe, the United States, Asia, and others, a growing number of consumers are reducing their carbon consumption to combat global warming. To minimize the environmental impact, these consumers opt for HVAC services to upgrade or maintain their existing HVAC systems for heating and cooling purposes.

For instance, in Europe, the Sustainable Energy Authority offers financial incentives to

homeowners who install heat pump systems, enabling them to reduce their energy costs and decrease their carbon emissions. Such initiatives driving the adoption of HVAC services will increase the market's potential across the residential sector.

The surge in the requirement for energy-efficient HVAC units in nations like India and China can be attributed to the area's escalating housing and population growth. With the construction of more residential properties, the demand for these equipment and services is rising. Furthermore, introducing new infrastructure development projects is anticipated to amplify the need for energy-efficient HVAC solutions, consequently boosting the demand for essential HVAC services.

Asia-Pacific is Expected to Register the Fastest Growth

China's 14th Five-Year Plan highlights new infrastructure projects in water systems, energy, transportation, and urbanization. According to estimates, overall investment in new infrastructure during the 14th Five-Year Plan period (2021-2025) is likely to reach approximately CNY 27 trillion (USD 4.2 trillion). The new plan emphasizes nine key items for green building development and energy efficiency. It calls for retrofitting over 350 million sq m of buildings and constructing over 50 million sq m of net zero energy consumption buildings. This is expected to boost the market studied.

In India, with the rapidly growing IT infrastructure, companies are rigorously investing in new data centers, which is expected to propel the studied market. For example, in November 2022, Amazon Web Services announced the launch of its second infrastructure region in India, the AWS Asia-Pacific (Hyderabad) region. This second infra region offers customers more options to run workloads with greater resilience and availability, securely store data in India, and serve end users with lower latency. AWS has estimated the Hyderabad region will sustain more than 48,000 full-time jobs yearly through a planned investment of more than USD 4.4 billion in India by 2030.?

The construction industry in Japan is witnessing robust growth due to several investments in renewable energy, telecommunication, and manufacturing sectors, as well as the government's aim to cut greenhouse gas emissions and achieve carbon neutrality by 2050.

Indonesia has one of Asia's major air conditioning markets, with estimates for economic growth and an increase in the middle-income class fueling predictions for additional

growth in the air conditioner market, primarily for domestic use. Small-sized models account for most of the market because of their adaptability to the local electric power situation and particular home types in Indonesia.

As a result, Indonesia is a prospective market for goods that may display great energy-saving efficiency, such as inverter-type air conditioners, while still meeting market demands. According to EIA, Indonesian homes are expected to add another 20 million air conditioners by 2030?.

HVAC Industry Overview

The HVAC services market is fragmented, favorably competitive, and has several prominent players. The market performers are focusing on expanding their consumer base across foreign countries. These enterprises leverage strategic collaborative initiatives to boost their market share and profitability. Companies such as Siemens AG, Honeywell International Inc., LG Electronics Inc., Electrolux AB, and Johnson Controls International PLC, performing in the market, are also acquiring start-ups working on HVAC services technologies to strengthen their production capacities.

October 2023 - Lennox International Inc. announced the acquisition of AES Industries Inc. and AES Mechanical Service Group Inc. to the Building Climate Solutions segment. AES will be a part of the Lennox Commercial business segment and enable the delivery of "front-to-back" life-cycle integrated services to AES and Lennox customers.

July 2023 - Daikin Comfort Technologies subsidiary AirReps acquired two companies, Integrated Systems and Controls LLC and InControl, enhancing the capabilities of AirReps and allowing the company to provide a more comprehensive array of services for its customers. These acquisitions will help Daikin, in conjunction with AirReps, to meet the commercial market's need for integrated services. These combined capabilities will offer Daikin's VRV and Light Commercial business, including service capability, remote monitoring, and predictive maintenance programs.

Additional Benefits:

The market estimate (ME) sheet in Excel format

3 months of analyst support

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