HVAC Equipment

US Industry Study with Forecasts for **2013 & 2018**

Study #2553 | October 2009 | $4800 | 309 pages

www.freedoniagroup.com

The Freedonia Group

767 Beta Drive

Cleveland, OH • 44143-2326 • USA

Toll Free US Tel: 800.927.5900 or +1 440.684.9600

Fax: +1 440.646.0484

E-mail: info@freedoniagroup.com

HVAC Equipment

US Industry Study with Forecasts for ***2013 & 2018***

Freedonia®

Table of Contents

HVAC Equipment

US Industry Study with Forecasts for ***2013 & 2018***

List of Tables

EXECUTIVE SUMMARY

MARKET ENVIRONMENT

HEATING & COOLING FUEL TYPES

HEATING EQUIPMENT

COOLING EQUIPMENT

MARKETS

INDUSTRY STRUCTURE

List of Charts

MARKET ENVIRONMENT

HEATING & COOLING FUEL TYPES

HEATING EQUIPMENT

COOLING EQUIPMENT

MARKETS

INDUSTRY STRUCTURE

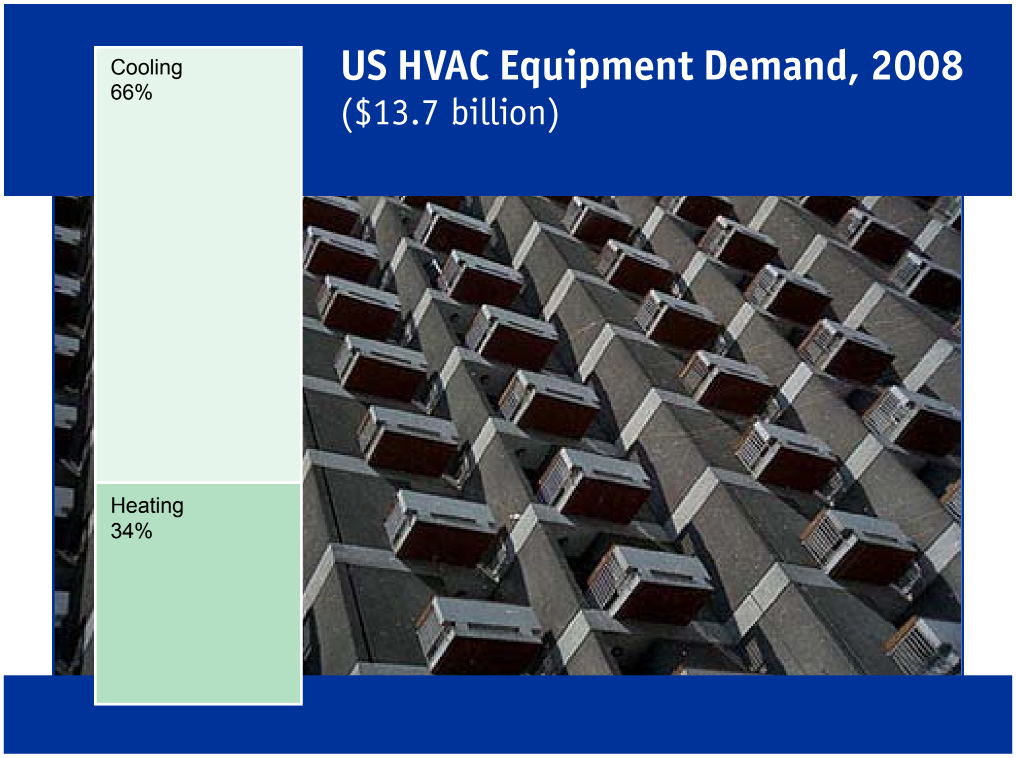
HVAC Equipment

US Industry Study with Forecasts for ***2013 & 2018***

Demand will benefit from volatile energy prices, incentives to upgrade to more efficient models, federal HVAC efficiency regulations and the phase-out of ozone-depleting refrigerants.

US demand to rise 4.5% annually through 2013

Demand in the US for heating, ventilation and air conditioning (HVAC) equipment is forecast to increase 4.5 percent per year to $17 billion in 2013. Advances will be driven by a projected recovery in residential construction from a low 2008 base. Demand will also benefit from interest in more energy efficient HVAC systems driven by volatile energy prices. Public and private rebates, credits and other incentives will encourage owners to upgrade to models with efficiency ratings that are at or above ENERGY STAR levels. Ongoing changes in federal regulations regarding minimum efficiency requirements for many of these systems and the phase-out of ozone-depleting refrigerants with chlorine will also benefit sales of HVAC equipment.



US HVAC Equipment Demand, 2008
($13.7 billion)

Heat pumps to be largest, fastest growing heating equipment

In 2008, heat pumps accounted for the largest share of heating equipment value demand and will achieve a 52-percent share in 2013. Additionally, heat pumps are expected to post the strongest gains through 2013. Demand benefits from the heat pump's ability to provide efficient heating and cooling in moderate climates, as well as the increasing availability of low temperature and geothermal versions. While warm air furnaces will continue to account for the second largest share of heating equipment sales, this segment is expected to lose market share because of lower efficiency compared to heat pumps. Still, sales will be supported by their relatively low initial cost and amenability to installation with other central home comfort systems.

Unitary air conditioners to remain dominant cooling equipment

Unitary air conditioners will remain the largest segment in the cooling equipment market, accounting for over 70 percent of total value demand in 2013. Gains are expected to be slightly above average over this period. Room air conditioners are expected to post the strongest gains through 2013 as quieter and more efficient units become available and residential construction recovers from depressed 2008 levels. Most other types of cooling equipment will be hampered by their widespread use in nonresidential applications, a market that is due to slow from a high 2008 base. The cooling equipment industry is affected by a variety of regulations, including those involving ozone-depleting hydrochlorofluorocarbon refrigerants. Beginning in 2010, production and import of HCFC-142b and HCFC-22 will be banned, except for use in equipment manufactured before January 1, 2010. As a result, HFC-410A and other chlorine-free refrigerants are being phased in across most price points.

Sample Text, Table & Chart

TABLE VI-2

RESIDENTIAL HVAC EQUIPMENT DEMAND BY MARKET & TYPE (million dollars)

SAMPLE TABLE

Item	1998	2003	2008	2013	2018
Residential Construct Expend (bil $)	3[illegible]				[illegible]1.5
$ res HVAC/000$ construction					[illegible]7
Residential HVAC Equipment Demand					[illegible]0
By Market:					
New Building					[illegible]5
Improvement & Replacement					[illegible]5
By Type:					
Heating Equipment					[illegible]0
Cooling Equipment					[illegible]0
$/unit					[illegible]6
Residential HVAC Equip (000 units)	1[illegible]				[illegible]0
% residential					[illegible]6
HVAC Equipment Demand (000 units)	1[illegible]	[illegible]	[illegible]	[illegible]	[illegible]050

COOLING EQUIPMENT

Supply & Demand

SAMPLE TEXT

Demand for room air conditioners is expected to increas[...] percent per [...] This rate represents a [...] from the de[...] and 2008 when resid[...] constructio[...]ly. This hurt demand [...] air conditio[...] often added when fu[...] additions a[...]wth will be boosted by [...] recovery in[...]nding. However, the [...] this trend wi[...]at a growing number o[...] are equipped with central cooling systems instead of separate [...] systems for individual rooms.

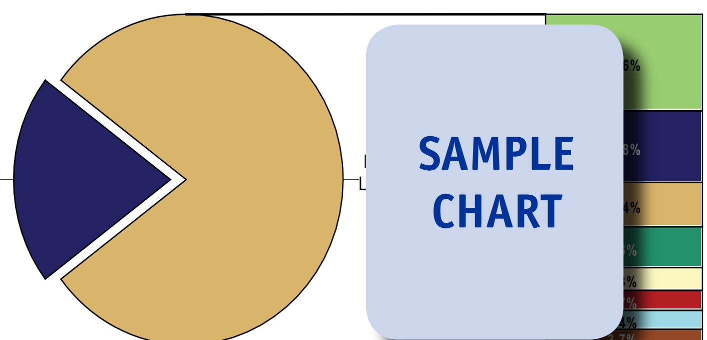
In general, sales of room air conditioners are influenced [...] by consumer impulse buying. These units are relatively and [...]ingly inexpensive, and are widely available at a variety of ret[...] Therefore, summer temperatures that are either well above or well below normal have a dramatic effect on demand for room air conditioners. Advances will also be driven by the increasing energy efficiency and relatively modest prices of these air conditioners that make them an attractive option to building owners, particularly those in cooler climates seeking inexpensive ways to add comfort cooling capabilities. Growth will also be aided by the need to replace these room air conditioners as they tend to have a shorter lifespan than the larger central systems.

Shipments of room air conditioners are projected to dec[...] million in 2013. In unit terms, shipments of room air condit[...] expected to fall to 1.6 million in 2013. This decline is the re[...]petition in the US market from imported room air conditione[...] of which are sold at lower prices because these foreign manu[...] benefit from lower labor and other production costs. As a re[...] US-based manufacturers of room air conditioners have shift[...]duction outside the US as a way to improve their competitiv[...]

159 Copyright 2009

CHART VII-1

US HVAC EQUIPMENT MARKET SHARE, 2008 ($13.7 billion)



Click here to purchase online

Order now, click here!

HVAC Equipment

US Industry Study with Forecasts for ***2013 & 2018***

Freedonia®

Sample Profile, Table & Forecast

TABLE IV-8

WARM AIR FURNACE SHIPMENTS BY TYPE
(thousand units)

Item	1998	2003	2008	2013	2018
Heating Equipment Shipments	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
% warm air furnaces	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Warm Air Furnace Shipments	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Natural Gas	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Electric	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Heating Oil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
$/unit	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Warm Air Furnace Shipments (mil $)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
% warm air furnaces	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Heating Equipment Shipments (mil $)	3410	3722	4440	5735	6920

SAMPLE TABLE

COMPANY PROFILES

Research Products Corporation
1015 East Washington Avenue
Madison, WI 53703
608-257-8801
http://www.a[illegible]

Annual Sales [illegible]
Employment [illegible]

Key Products [illegible]

SAMPLE PROFILE

Researc[illegible] [illegible]ercial and industrial air c[illegible] [illegible]ators and control systems. The Company is privately held.

The Company participates in the US HVAC equipment industry through the production of whole-house humidifiers and dehumidifiers. Humidifiers, which are sold under the APRILAIRE brand name, are made in evaporative, flow-through design for installation in new or existing residential heating and cooling systems. These humidifiers utilize an automatic digital control that monitors outdoor temperature and indoor humidity levels to ensure efficient and easy operation. APRILAIRE humidifiers include the 350 and 360 models that are specifically designed for installation in homes with radiators or baseboard heating; 400 types that utilize an evaporative technology to reduce the amount of water used for humidification; 500 products for use in smaller homes; 600 models that feature built-in bypass dampers; and 700 types that incorporate a powered fan to increase air flow for a high capacity in large home applications.

Dehumidifiers from Research Products comprise the APRILAIRE 1750 and 1770 models, which are designed to reduce mold, odors, dust

293

"Shipments of natural gas-burning warm air furnaces are forecast to increase 8.9 percent annually to 3.5 million units in 2013. This is the strongest projected growth rate in the warm air furnace segment, albeit from a depressed 2008 base. Between 2003 and 2008, shipments of natural gas-burning warm air furnaces declined as new housing completions and new residential construction spending fell, most of which ..."
--Section IV, pg. 111

Order Information

Five Convenient Ways to Order

INDUSTRY MARKET RESEARCH FOR BUSINESS LEADERS, STRATEGISTS, DECISION MAKERS

Freedonia®

ONLINE: www.freedoniagroup.com

MAIL: Print out and complete the order form and send to The Freedonia Group (see address at the bottom of this form)

PHONE: Call toll free, 800.927.5900 (US) or +1 440.684.9600

FAX: +1 440.646.0484 (US)

EMAIL: info@freedoniagroup.com

Free Handling & Shipping

There is NO charge for handling or UPS shipping in the US. Expect delivery in 3 to 5 business days. Outside the US, Freedonia provides free airmail service. Express delivery is available at cost.

Orders Outside of the US

Checks must be made payable in US funds, drawn against a US bank and mailed directly to The Freedonia Group. For wire transfers please contact our customer service department at info@freedoniagroup.com. Credit cards accepted.

Credit Card Orders

For convenience, Freedonia accepts American Express, MasterCard or Visa. Credit card purchases must include account number, expiration date and authorized signature.

Save 15%

If you order three (3) different titles at the same time, you can receive a 15% discount. If your order is accompanied by a check or wire transfer, you may take a 5% cash discount (discounts do not apply to Corporate Use Licenses).

Corporate Use License

Now every decision maker in your organization can act on the key intelligence found in all Freedonia studies. For an additional $2600, companies receive unlimited use of an electronic version (PDF) of the study. Place it on your intranet, e-mail it to coworkers around the world, or print it as many times as you like,

Click here to learn more about the Corporate Use License

Order Form

F-WEB.2553

HVAC Equipment.. $4800

☐ Corporate Use License (add to study price) * +$2600

___ Additional Print Copies @ $600 each *

Total (including selected option) $________

☐ Enclosed is my check (5% discount) drawn on a US bank and payable to The Freedonia Group, Inc., in US funds (Ohio residents add 7.75% sales tax)

☐ Bill my company ☐ American Express ☐ MasterCard ☐ Visa

Credit Card # ________________

Expiration MM ____ YY ____

Signature ________________

Name ________________

Title ________________

Company ________________

Division ________________

Street ________________ (No PO Box please)

City/State/Zip ________________

Country ________________

Phone ________________ Fax ________________

Email ________________

* Please check appropriate option and sign below to order an electronic version of the study.

☐ Corporate Use License Agreement

The above captioned study may be stored on the company's intranet or shared directory, available to company employees. Copies of the study may be made, but the undersigned represents that distribution of the study will be limited to employees of the company.

Signature ________________

☐ Individual Use License Agreement

The undersigned hereby represents that the above captioned study will be used by only ___ individual(s) who are employees of the company and that the study will not be loaded on a network for multiple users. In the event that usage of the study changes, the Company will promptly notify Freedonia of such change and will pay to Freedonia the appropriate fee based on Freedonia's standard fee schedule then in effect. Note: Entire company corporate use license, add $2600; one additional user, add $600; two additional users, add $1200; three additional users, add $1800.

Signature ________________

Other Studies

World Filters

This study analyzes the world filter industry. It presents historical demand data for the years 1998, 2003 and 2008, and forecasts for 2013 and 2018 by filter type (e.g., oil, air intake, fluid power, panel and pocket), market (e.g., transportation equipment, utilities, manufacturing, consumer), world region (e.g., Asia/Pacific, North America, Western Europe) and major country. The study also considers market environment factors, details industry composition, evaluates company market share and profiles industry players.

#2568 .... 11/2009..................... $6100

Filters

US demand for filters will rise 3.3% yearly through 2013, spurred in part by stricter environmental laws and more reclamation and recycling of production inputs to cut costs. Air filters will outpace fluid and internal combustion engine filters. Motor vehicles will remain the largest market while the utilities segment grows the fastest. This study analyzes the $10.5 billion US filters industry, with forecasts for 2013 and 2018 by media, product and market. It also evaluates market share and profiles industry players.

#2524 .... 08/2009..................... $4800

Consumer Water Purification & Air Cleaning Systems

US consumer water purification and air cleaning system demand will increase 4.4% annually through 2012. Reverse osmosis and distillation types will be the fastest growing water purification systems. Electrostatic air cleaners will outpace conventional air filtration systems. This study analyzes the $1.2 billion US purification and cleaning system industry, with forecasts for 2012 and 2017 by technology, product and regional market. It also evaluates market share and profiles industry players.

#2419 .... 10/2008..................... $4700

World Commercial Refrigeration Equipment

Global demand for commercial refrigeration equipment will rise 4.6% annually through 2012. Developing nations will register the strongest gains, especially those in Latin America and Asia. The US will remain the largest market, as replacement demand continues to create opportunities. This study analyzes the $23.4 billion global commercial refrigeration equipment industry, with forecasts for 2012 and 2017 by product, world region and for 27 countries. It also evaluates market share and profiles industry players.

#2414 .... 10/2008..................... $5700

World HVAC Equipment

Global demand for HVAC equipment will rise 5.8% annually through 2012. Demand in the Asia/Pacific region will outpace the world average, led by China and India. Opportunities also exist in developed areas, most notably the US and Western Europe. Cooling equipment will continue to outpace heating equipment. This study analyzes the $63.1 billion world HVAC equipment industry, with forecasts for 2012 and 2017 by product, world region and for 18 countries. It also evaluates market share and profiles 30 industry participants.

#2336 .... 05/2008..................... $5600

About The Freedonia Group

The Freedonia Group, Inc., is a leading international industry market research company that provides its clients with information and analysis needed to make informed strategic decisions for their businesses. Studies help clients identify business opportunities, develop strategies, make investment decisions and evaluate opportunities and threats. Freedonia research is designed to deliver unibiased views and reliable outlooks to assist clients in making the right decisions. Freedonia capitalizes on the resources of its proprietary in-house research team of experienced economists, professional analysts, industry researchers and editorial groups. Freedonia covers a diverse group of industries throughout the United States, the emerging China market, and other world markets. Industries analyzed by Freedonia include:

• Chemicals • Plastics • Life Sciences • Packaging • Building Materials • Security & Electronics • Industrial Components & Equipment • Automotive & Transportation Equipment • Household Goods • Energy/Power Equipment

Click here to learn more about Freedonia

Freedonia Custom Research

Freedonia Custom Research delivers the same high quality, thorough and unbiased assessment of an industry or market as an industry study. Since the research initiative is based upon a company's specific needs, companies harness Freedonia's research capabilities and resources to answer unique questions. When you leverage the results of a Freedonia Custom Research engagement, you are able to obtain important answers to specific questions and issues associated with: mergers and acquisitions, new product launches/development, geographic expansion, entry into new markets, strategic business planning, and investment and funding decisions.

Freedonia Custom Research is ideal for companies seeking to make a strategic difference in the status quo and focus on future business growth. Working side by side with clients, Freedonia's team is able to define a research project that is custom-tailored to answer specific questions and provide the basis from which a company can make informed business decisions.

Click here to learn more about Custom Research

Click here for complete title list

Click here to visit freedoniagroup.com

The Freedonia Group, Inc. 767 Beta Drive • Cleveland, OH • 44143-2326 • USA • Web site: www.freedoniagroup.com
Tel US: 800.927.5900 or +1 440.684.9600 • Fax: +1 440.646.0484 • e-mail: info@freedoniagroup.com