

Heat Pump Market in the US

Industry Study with Forecasts for 2021

Study #3498 | March 2017 | \$4900



Growth in US demand for heat pumps will be supported by their greater energy efficiency compared to many other types of HVAC equipment. The prolonged period of sales declines that occurred in recent years will be alleviated as building owners replace their existing units as they reach the end of their lifecycle.

Air source to maintain dominance over geothermal types

Air source heat pumps are expected to record faster gains in demand than geothermal heat pumps through 2021. Air source heat pumps have easier installation requirements and compete more directly with other HVAC equipment, because of their similar functionality to unitary air conditioners. Also, the total installed cost of air source heat pumps, which is a key purchasing criterion for many consumers, is well below that of geothermal. In addition, the federal tax credit for geothermal heat pumps was significantly higher in value than that for air source, and as a result, the current lack of a tax credit will have a more adverse effect on geothermal heat pump sales.

Residential market to offer faster demand gains

Faster anticipated increases in residential building construction spending will bolster heat pump demand in residential buildings, but this market will still account for a smaller share of demand than commercial applications. The majority of these increases will be accounted for by

replacement sales. Demand gains in single-family residential installations are expected to be faster than those for multifamily installations, a reversal of recent trends.

South to remain dominant region

The South has a climate that is tailor made for heat pump use, with warm summers and mild winters. As a result, this region accounts for the vast majority of US demand for heat pumps, which can provide all of the necessary comfort cooling, as well as heating when required. In addition, nearly two-thirds of all new heat pump demand through 2021 will occur in the South. However, the fastest increases in heat pump sales will be in the West, a region that has experienced a strong uptick in heat pump installations in recent years.

Study coverage

This Freedonia industry study analyzes the US heat pump market, presenting historical demand data and forecasts for 2021 with growth rates by product (air source, such as air-to-air and air-to water; and geothermal, such as closed loop and open loop), market (residential and commercial, new and replacement), and US region (South, Northeast, Midwest, West), energy source (electricity and natural gas). The study also evaluates company market share data and analyzes industry players such as AAON, Daikin Industries, Electrolux, GD Midea, Ingersoll-Rand, Johnson Controls, Lennox, , Melrose Industries, NIBE Industrier, Paloma, and United Technologies.

This study can help you:

- Determine your market & sales potential
- Learn more about industry competitors
- Assess new products & technologies
- Identify firms to merge with or acquire
- Complement your research & planning
- Gather data for presentations
- Confirm your own internal data
- Make better business decisions

MARKETS

Commercial

Demand for heat pumps installed in commercial buildings is forecast to advance... billion. Although demand... ing the 2011-2016 period, dental market. Opportuni- more moderate expected... the residential market. Ad- mitted by the fact that com- perform routine maintenance... erage life of the product

Despite the slower growth, the commercial market will remain the larger market due to the fact that many commercial buildings require the use of more than one heat pump to effectively cool the entire building, boost- number of units installed. In addition, overall demand will... supported by the higher price of commercial heat pumps, sales in dollar terms.

SAMPLE TEXT

Table 6-5 | Selected Acquisitions & Divestitures

Company	Acquiring	From Whom	Date
Melrose Industries (UK)	Nortek (heat pump & other products)		
NIBE Industrier (Sweden)	remaining 90% stake in Enertech Global (geothermal heat pump)		
NIBE Industrier (Sweden)	Climate Control se. (heat pumps & other heating, ventilation air conditioning eq)		
NIBE Industrier (Sweden)	50% stake in CGC Group (Canada -- heat pumps & chillers)	--	
Watsco	additional 10% stake in Carrier Enterprise (distribution of heat pumps & other heating, ventilation, & air conditioning eq in US Sun Belt/Puerto Rico)	United Techn (Carrier)	
Watsco	additional 10% stake in Carrier Enterprise Northeast (distribution of heat pumps & other heating, ventilation, & air conditioning eq in US Northeast & Mexico)	United Techn (Carrier)	

SAMPLE TABLE

Table 3-7 | Geothermal Heat Pump Demand, 2006-2021 (million dollars)

Item	% Compound Annual Growth							
	2006	2011	2016	2021	2026	06-11	11-16	16-21
Heat Pump Demand % geothermal								
Geothermal Heat Pumps								
Closed Loop:								
Ground								
Water								
Open Loop								
\$/unit								
Geothermal Heat Pumps (000 units)								

SAMPLE TABLE

Source: The Freedonia Group

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The Freedonia Group

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- Portable HVAC Equipment in the US
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- Global Flooring Market
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- Global Buses
- North American Automotive Aftermarket
- North American Truck Aftermarket

Related Studies

Global Air & Fluid Filters Market

Global demand for air and fluid filters is forecast to grow 5.4 percent per year to almost \$45 billion in 2020. The US was the largest national market for such products in 2015, but more than one-fourth of new growth will occur in China during the forecast period. The study assesses the \$34.5 billion global air and fluid filters market, with historical data plus forecasts for 2020 and 2025 for supply and demand, plus demand by product and market, in 6 regions and 19 countries. The study also analyzes company market share and profiles global competitors.

#3443..... January 2017 \$6400

Air & Fluid Filters

Sales of air and fluid filters in the US will expand 3.8 percent annually to \$9.7 billion in 2020. Advances will be fueled by a positive economic outlook and increasing consumer attention to domestic indoor air quality and tap water purity. The utilities and consumer segments will be the fastest growing markets. Air filters will slightly outpace the dominant fluid filters segment. This study analyzes the \$8.1 billion US filter industry, with forecasts for 2020 and 2025 by filter medium, product, and market. The study also evaluates company market share and profiles industry players.

#3379..... April 2016 \$5500

World Industrial Valves

World demand for industrial valves will rise 4.3 percent annually through 2019 to \$98.5 billion. Market growth in developing areas will outpace product demand in developed countries. The expansion and upgrading of water infrastructures will help sales increases. This study analyzes the \$80 billion world industrial valve industry, with forecasts for 2019 and 2024 by product and market for six world regions and 25 major countries. Total demand is given for an additional seven countries. The study also evaluates company market share and profiles industry players.

#3369..... January 2016 \$6300

World Pumps

Global demand for fluid handling pumps is projected to increase 5.5 percent annually to \$84 billion in 2018. The Asia/Pacific region will remain the largest market and the second fastest growing, behind Central and South America. The key positive displacement and centrifugal pump segments will offer the best growth opportunities. This study analyzes the \$64.4 billion world pump industry, with forecasts for 2018 and 2023 by product, market, world region, and for 35 countries. The study also evaluates company market share and profiles industry participants.

#3231..... January 2015 \$6500

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Freedonia's methods

- Establishing consistent economic & market forecasts
- Using input/output ratios, flow charts & other economic methods to quantify data
- Employing in-house analysts who meet stringent quality standards
- Interviewing key industry participants, experts & end users
- Researching a proprietary database that includes trade publications, government reports & corporate literature

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