Heating Equipment Market in the US

Industry Study with Forecasts for 2021

Study #3521 | April 2017 | $4900

US demand for heating equipment will post healthy gains through 2021 based on continued replacement of existing heating equipment that has reached the end of its operational lifespan.

Warm air furnaces to remain dominant heating equipment

Comprising 64% of value sales in 2016, warm air furnaces are the dominant type of heating equipment used in the US. This is partly due to consumer preference for forced air heating, as well as the ability of warm air furnaces and unitary air conditioners to utilize the same distribution network to deliver treated air year-round.

Steel boilers will account for a growing share of all boiler sales

In 2006, steel boilers comprised only a small share of total boiler demand. However, rapid sales advances have been recorded for condensing boilers, the majority of which are steel, as condensing boilers are able to achieve a higher level of energy efficiency than non-condensing types. As a result, although boilers overall will continue to lose market share to other types of heating products, steel boilers will see the fastest value gains of any product type in percentage terms, though dollar sales will remain modest in 2021.

Residential market growth will outpace commercial market gains

The residential market for heating equipment is expected to outperform the commercial market through 2021. Ongoing replacement activity will remain the key factor boosting equipment sales. Continued strength in the construction of new housing units will also have a positive impact on demand. However, the residential market will remain the smaller market overall due to the higher heating requirements in many commercial buildings.

Midwest to remain dominant US region; West to post largest gains

Accounting for 31% of all heating equipment demand in 2016, the Midwest is responsible for the largest single share of industry sales in a given year. The cold climate in much of the Midwest results in a long winter season that necessitates the use of heating equipment. This is also true of the Northeast, which has the coldest average climate of any US region. Meanwhile, the West will register the best sales gains in percentage terms through 2021.

Study coverage

This Freedonia industry study analyzes the US heating equipment market, presenting historical demand data plus forecasts (2021) by product (boilers, room and zone heating equipment, warm air furnaces), energy source (natural gas, electricity, and heating oil and other), market (residential and commercial, new building and existing building), and US region (Midwest, South, Northeast, West). The study also evaluates company market share and analyzes key producers, such as AO Smith, Burnham Holdings, Daikin Industries, Ingersoll-Rand, Lennox, Melrose Industries (Nortek), Mestek, Modine, Paloma, SPX, and United Technologies.

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REGIONS

Demand by Product

Similar to other regions in the US, warm air furnaces accoun
largest share of heating equip m
of all sales in 2016. In fact, v a
of total heating equipment sa U
as boilers are seldom used in le
in the region accounted for b ic
of boilers is virtually nonexis in
ments and the inability of boi g
easily combined with an air c ne

The fastest increase in demand through 2021 will be recorded air furnaces, which will continue to be installed in buildings where heating is required and a unitary air conditioner is installed. Electric furnaces are more commonly used in the South than in other US regions. The South has the lowest share of buildings connected to the natural gas infrastructure of any region, as cooling equipment utilizes electricity as its energy source and heating equipment is only needed during a brief portion of the year. As a result, buildings that install furnaces are generally limited to electricity-powered types.

Sales opportunities for room and zone heating equipment in the South will remain limited to settings where supplemental heating is necessary. In some facilities, such as tall warehouses and retail stores, room and zone heating equipment can also operate during the warmer months by operating in a “fan only” mode to improve air circulation without heating the air.

Regional demand for boilers is forecast to remain flat in dollar terms through 2021. Although some sales opportunities for boiler demand will remain in the commercial market, competition from products such as

Table 3-8 | Heating Oil & Other Energy Source Warm Air Furnace Demand by Value & Volume, 2006-2021

					% Compound Annual Growth		
Item	2006	2011	2016	2021	06-11	11-16	16-21
Warm Air Furnace Demand (mil $)							
% heating oil							
Heating Oil & Other Furnace Demand (mil $)							
$/unit							
Heating Oil/Other Furnace Demand (000 units)							
% of total							
Warm Air Furnace Demand (000 units)							

Source: The Freedonia Group

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

Table 4-1 | Heating Equipment Demand by Market & Segment, 2006-2021 (million dollars)

					% Compound Annual Growth		
Item	2006	2011	2016	2021	06-11	11-16	16-21
Heating Equipment Demand							
By Market:							
Commercial							
Residential							
By Segment							
Existing Buildings							
New Buildings							
$/unit							
Heating Equipment Demand (000 units)							

Source: The Freedonia Group

The Freedonia Group

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Related Studies

Heat Pump Market in the US

US demand for heat pumps will rise 2.4% yearly through 2021 to $2.5 billion. Air source heat pumps will record faster increases in demand than geothermal heat pumps. Commercial building construction will continue to account for the majority of heat pump demand, though residential applications will register faster gains. This Freedonia industry study offers historical demand data plus forecasts for 2021 by product, market, US region, and energy source. The study also details company market share and provides competitive analysis on industry participants.

#3498................ March 2017.................. $4900

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

World HVAC Equipment

Global demand for HVAC equipment will increase 4.1 percent per year through 2020 to $122 billion. China will post the largest gains of any nation in value terms, while the most rapid increases in demand will be recorded in Saudi Arabia, India, and Indonesia. The study offers historical data (2005, 2010, 2015) plus forecasts for 2020 and 2025 for supply and demand, as well as demand by type and market, in 6 world regions and 19 countries. The study also assesses market environment factors, evaluates company market share and profiles industry players worldwide.

#3416.................. May 2016 .... $6500

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

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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

About The Freedonia Group

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