

Smart Homes and Home Automation

13th Edition

Smart Homes and Home Automation is the thirteenth consecutive report from Berg Insight analysing the latest developments and trends on the smart home markets in Europe and North America. This strategic research report provides you with 280 pages of unique business intelligence including 5-year industry forecasts and expert commentary on which to base your business decisions.

Berg Insight™

More than 150 million homes in Europe and North America were smart at the end of 2025

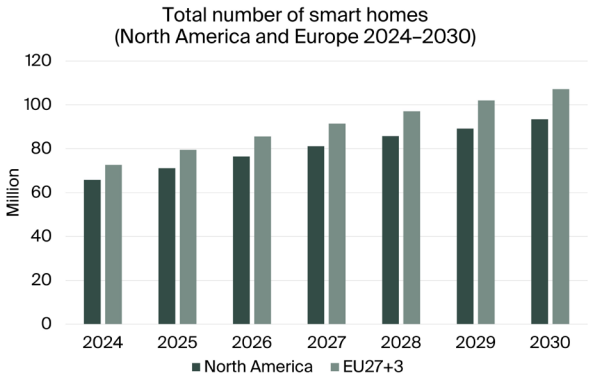
Smart home and home automation systems include a wide range of solutions for controlling, monitoring and automating functions within the home. Berg Insight defines a smart home system as one that can be accessed remotely and provides a user interface via a smartphone app or web portal. Devices that can only be controlled and automated locally through switches, timers, sensors and remote controls are therefore excluded from the scope of this study. Smart home systems can be grouped into seven primary categories: security and access control systems; energy management and climate control systems; audio-visual and entertainment systems; lighting and window control systems; home appliances; service robotics; and irrigation and water management systems.

A point solution will in many cases represent a consumer's first smart home purchase. The most popular point solutions to date, measured by unit sales, include smart thermostats, smart light bulbs, smart plugs, connected security cameras, voice-controlled smart speakers and floor cleaning robots. These products are marketed by incumbent OEMs such as Signify, Resideo, Danfoss, Chamberlain, Schlage, Assa Abloy and iRobot, as well as by newer entrants such as Ecobee, Sonos, Arlo, Nuki, Mysa, IKEA, Wyze Labs and SharkNinja. In the whole-home system market, traditional home automation vendors such as Crestron Electronics, Control4, Savant Systems, eQ-3, Shelly, Somfy and Loxone are facing increased competition as companies from adjacent industries enter the market. Communications and security service providers such as Verisure, ADT, Vivint, Comcast, SimpliSafe and Telus have established themselves among the largest providers of whole-home solutions in North America and Europe by combining home security services with smart home features.

The North American smart home market continues to grow. The installed base of smart home systems reached 314.6 million at the end of 2025. An estimated 70.9 million of these were multifunction or whole-home systems whereas 243.7 million were point solutions designed for one specific function. As some homes have more than one smart system in use, the installed base totalled an estimated 71.1 million smart homes at the end of the year. This corresponds to 47.2 percent of all households, placing North America as the most advanced smart home market in the world. Between 2025 and 2030, the number of households that adopt smart home systems is forecasted to grow at a compound annual growth rate (CAGR) of 5.6 percent, resulting in 93.5 million smart homes at the end of the forecast period. Market revenues reached US$ 57.4 billion (€ 50.8 billion) in 2025. The market is expected to grow at a CAGR of 8.9 percent between 2025 and 2030, reaching US$ 88.0 billion (€ 77.9 billion) in yearly revenues at the end of the forecast period.

The European market for smart home systems is still behind the North American market in terms of market penetration and maturity. However, the market has now grown to become almost as large as the North American market. At the end of 2025, there were a total of 253.2 million smart home systems in use in the EU27+3 countries. Around 51.0 million of these systems were multifunction or whole-home systems whereas 202.2 million were point solutions. This corresponds to around 79.5 million smart homes when overlaps are taken into account, meaning that 33.3 percent of all households in Europe were smart at the end of the year. The number of European households to adopt smart home systems is forecasted to grow at a compound annual growth rate (CAGR) of 6.2 percent during the next five years, resulting in 107.2 million smart homes by 2030. Market revenues reached € 44.5 billion in 2025. The market is forecasted to grow at a CAGR of 11.3 percent between 2025 and 2030 to reach € 75.9 billion at the end of the forecast period.

The outlook for the smart home market in the coming years remains positive. Connectivity brings a range of benefits to many of the most widely used products and systems in the home, including home security systems, door locks, indoor climate control devices, lighting, irrigation systems, home appliances and entertainment solutions. The ability to view information and manage home settings remotely can enable energy and cost savings, improve security and safety and provide greater convenience for homeowners. In several product categories, connectivity is now becoming a standard feature and consumers are increasingly expecting new products to be smart and connected.



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Glossary

Highlights from 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.

New market forecasts lasting until 2030.

Detailed reviews of the latest initiatives launched by industry players.

Updated profiles of the key vendors on this market.

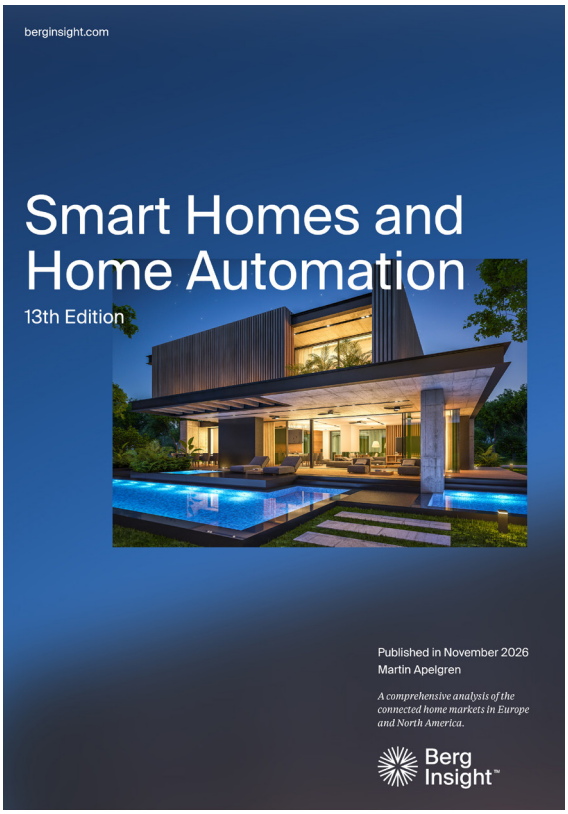
The report answers the following questions

- Which are the main applications within smart homes and home automation?
- What are the main drivers behind growth in Europe and North America?
- What are the business models and channels-to-market for smart home solutions?
- Which are the leading whole-home system vendors in Europe and North America?
- How are new entrants challenging established product OEMs?
- Will the Matter standard solve interoperability challenges in the smart home industry?
- What is the potential market size for cellular IoT in home automation?
- How will the smart home market evolve in the next five years?



About Berg Insight's IoT market research

Our market reports offer comprehensive information and analysis on key IoT technologies and markets, addressing important concerns including total addressable market, market penetration, market shares, industry landscape, regulatory environment, market trends and forecasts. Our research portfolio today comprises more than 90 items, where each market report focuses on a specific vertical application area or cover horizontal themes. All market reports come with complementary data sets in Excel format that can be easily analysed and converted into tables and charts. We offer a range of different license options together with bundled packages and subscriptions to suit your specific needs.



SMART BUILDINGS

Smart Homes and Home Automation

How should the mobile industry address the vast business opportunity in connected smart homes? Berg Insight estimates that revenues from home automation system shipments and service fees in Europe and North America will grow at a compound annual growth rate of 12.4 percent from € 85.6 billion in 2025 to € 153.7 billion in 2030. Get a 360-degree perspective on the rapid evolution of the home automation market in this comprehensive 280-page strategy report.

PUBLISHED DATE	November 2026
EDITION	13th
PAGES	280
AUTHOR	Martin Apelgren

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PDF & EXCEL: 2–10 user license	€ 2 700
PDF & EXCEL: Enterprise license	€ 3 600

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Who should read this report?

Smart Homes and Home Automation is the foremost source of information about the emerging market for connected home applications. Whether you are a product vendor, service provider, telecom operator, investor, consultant, application developer or government agency, you will gain valuable insights from our in-depth research.

AUTHOR

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Martin is a principal analyst who specialises in IoT applications for the smart homes and buildings, transportation and security markets. He joined Berg Insight in 2018 and is the lead author of numerous research reports. In addition to published research, he has provided bespoke research to clients ranging from IoT solution providers, management consulting firms, private equity firms and others. Prior to joining Berg Insight, Martin worked as a supply chain analyst at Volvo Group. Martin holds a Master's degree in Industrial Engineering and Management from Chalmers University of Technology.

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