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Middle East Smart Homes Market Forecast & Opportunities 2022



Middle East Smart Home Market Overview

Middle East smart homes market is expected to register healthy growth rate in the coming years on account of favourable government initiatives towards energy efficiency and building smart cities. Moreover, high per capita income and growing preferences for luxurious homes coupled with increasing Internet of Things (IoT) market is expected to positively influence the region's smart homes market. The market of smart homes in the Middle East includes lighting controls, HVAC controls, security & access control, entertainment controls, etc.

Due to growing security concerns, the demand for security solutions is increasing in the Middle East. Moreover, with growing population, the demand for energy efficiency measures as well as residential units is increasing, which in turn is aiding the region's smart homes industry.

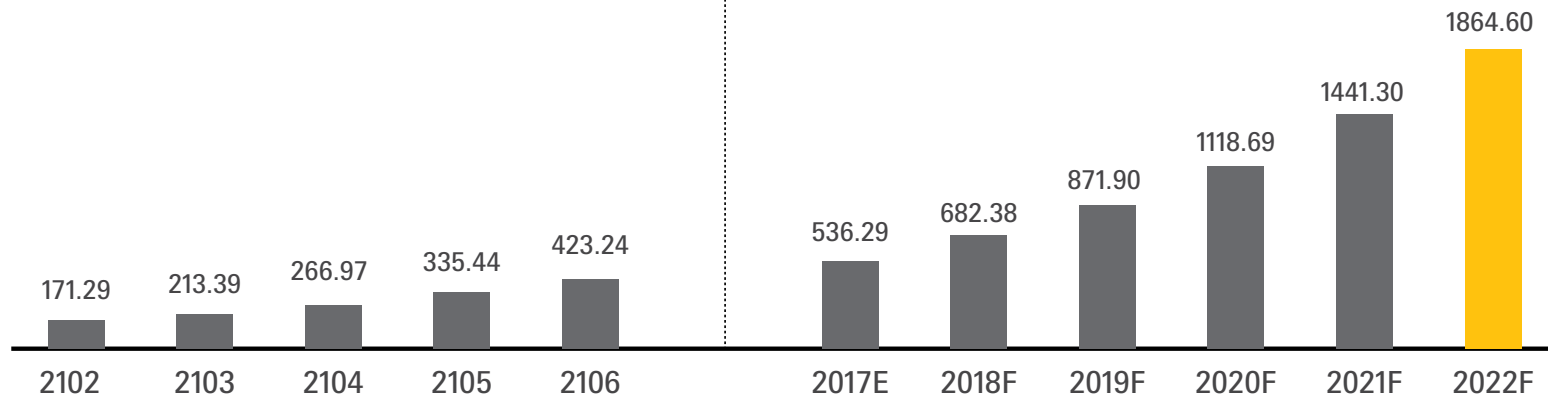


Middle East Smart Homes Market Size, By Value

Middle East Smart Homes Market Size, By Value, 2012-2022F (USD Million)

CAGR 2012-2016 ▶ 25.38%

CAGR 2017E-2022F ▶ 28.30%



Middle East smart homes market is expected to grow at a CAGR of 28.30%, in value terms, during 2017 – 2022, on account of higher GDP per capita of the countries like Qatar, the United Arab Emirates, Kuwait, etc. coupled with increasing penetration of Internet and Internet of Things.

Growing construction of luxurious villas and societies and increasing consumer awareness is expected to aid the region's smart homes market during 2017 – 2022. In addition, declining costs and new product launches coupled with the implementation of favorable government policies for energy savings is expected to aid the region's smart homes market during 2017-2022.

Source: TechSci Research



Middle East Smart Homes Market Share, By Application

Security & Access Control Systems: Since security is considered to be an integral part of an infrastructure, deployment of various security & access control systems such as wireless locks, IP-enabled devices, iris detection systems, etc. has increased across the Middle East region. Increasing technological advancements are enabling users to monitor day-to-day activities through smartphones, tablets and other Bluetooth enabled devices from anywhere and anytime.

Middle East Smart Homes Market Size, By Application, By Value, 2012-2016 (USD Million)

Application	2012	2013	2014	2015	2016	CAGR (2012-2016)
Lighting Control	52.13	64.61	80.43	100.54	126.21	24.74%
HVAC Control Systems	44.40	54.95	68.31	85.26	106.87	24.56%
Security & Access Controls	28.16	35.38	44.63	56.55	71.95	26.43%
Entertainment Control Systems	19.95	24.96	31.55	40.04	51.03	26.46%
Others*	26.65	33.48	42.05	53.05	67.19	26.01%

Middle East Smart Homes Market Size, By Application, By Value, 2017E-2022F (USD Million)

Application	2017E	2018F	2019F	2020F	2021F	2022F	CAGR (2017E-2022F)
Lighting Control	159.11	201.43	256.07	326.86	418.96	539.20	27.65%
HVAC Control Systems	134.56	170.12	215.98	275.33	352.43	452.96	27.48%
Security & Access controls	91.91	117.89	151.85	196.39	255.04	332.55	29.33%
Entertainment Control Systems	65.28	83.85	108.15	140.05	182.11	237.75	29.50%
Others*	85.43	109.08	139.85	180.05	232.76	302.15	28.74%

*NOTE: Others include Energy Management Systems, Home Healthcare, Smart Kitchen, etc.
Source: TechSci Research

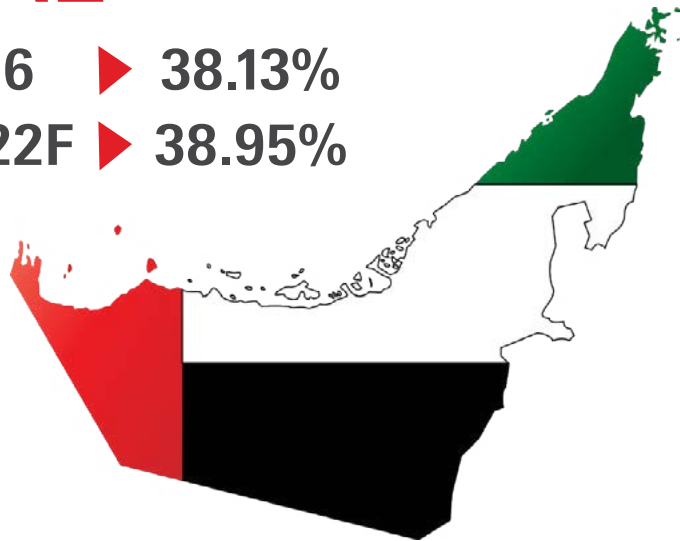
UAE Smart Homes Market Size, By Value



UAE's Share in Middle East Smart Homes Market, By Value, 2016 & 2022F

UAE

2016 ▶ 38.13%
2022F ▶ 38.95%



United Arab Emirates dominated the Middle East smart homes market with a revenue share of 38.13% in 2016, due to growing millennial population, high standard of living and increasing smartphone penetration.

Government initiatives like Smart Dubai is aiding the country's smart homes industry. In December 2015, for the concept of smart health, Dubai Health Authority and Dubai Smart Government showcased smart home which includes network of smart sensors to monitor the health of an individual.

UAE Smart Homes Market Size, By Value, 2012-2022F (USD Million)

CAGR (2012-2016)	2012	2013	2014	2015	2016	2017E	2018F	2019F	2020F	2021F	2022F	CAGR (2017E-2022F)
25.83%	64.39	80.50	101.08	127.46	161.40	205.24	262.07	336.05	432.69	559.42	726.26	28.76%

UAE Smart Homes Market Share, By Application

UAE Smart Homes Market Size, By Application, By Value, 2012–2016 (USD Million)

Application	2012	2013	2014	2015	2016	CAGR (2012-2016)
Lighting Control	17.75	22.08	27.58	34.60	43.58	25.17%
HVAC Control Systems	15.58	19.37	24.19	30.34	38.20	25.13%
Security & Access controls	11.71	14.74	18.62	23.62	30.09	26.61%
Entertainment Control Systems	8.42	10.60	13.40	17.02	21.70	26.72%
Others*	10.93	13.72	17.29	21.89	27.82	26.32%

UAE Smart Homes Market Size, By Application, By Value, 2017E–2022F (USD Million)

Application	2017E	2018F	2019F	2020F	2021F	2022F	CAGR (2017E-2022F)
Lighting Control	55.13	70.02	89.31	114.38	147.08	189.92	28.07%
HVAC Control Systems	48.30	61.33	78.19	100.11	128.68	166.10	28.02%
Security & Access controls	38.50	49.46	63.81	82.65	107.50	140.39	29.53%
Entertainment Control Systems	27.79	35.73	46.13	59.81	77.85	101.75	29.64%
Others*	35.52	45.53	58.60	75.75	98.31	128.11	29.25%

*NOTE: Others include Energy Management Systems, Home Healthcare, Smart Kitchen, etc.

Source: TechSci Research

Saudi Arabia Smart Homes Market Share, By Value

Saudi Arabia's Share in Middle East Smart Homes Market, By Value, 2016 & 2022F

Saudi Arabia

2016 ▶ 34.68%

2022F ▶ 35.31%



With increasing popularity of smartphones and their applications coupled with the government's energy efficient policies are boosting the market of smart homes solutions in Saudi Arabia.

Companies are focusing on Middle Eastern markets and continuously trying to launch their products. For instance, Cielo WiGLE, a United States-based smart home products manufacturer, announced in 2016 that it has signed a channel partner agreement with advanced technology and services, a Saudi Arabia-based IT services company, to distribute the company's smart home products in the country.

Saudi Arabia Smart Homes Market Size, By Value, 2012-2022F (USD Million)

CAGR (2012-2016)	2012	2013	2014	2015	2016	2017E	2018F	2019F	2020F	2021F	2022F	CAGR (2017E-2022F)
25.76%	58.68	73.33	92.03	115.98	146.78	186.55	238.08	305.12	392.66	507.41	658.39	28.69%

Source: TechSci Research

Saudi Arabia Smart Homes Market Share, By Application

Saudi Arabia Smart Homes Market Size, By Application, By Value, 2012–2016 (USD Million)

Application	2012	2013	2014	2015	2016	CAGR (2012-2016)
Lighting Control	18.36	22.84	28.53	35.79	45.09	25.18%
HVAC Control Systems	15.02	18.64	23.24	29.09	36.57	24.93%
Security & Access controls	9.61	12.11	15.32	19.46	24.82	26.77%
Entertainment Control Systems	7.23	9.11	11.53	14.64	18.68	26.79%
Others*	8.46	10.63	13.41	16.99	21.61	26.42%

Saudi Arabia Smart Homes Market Size, By Application, By Value, 2017E–2022F (USD Million)

Application	2017E	2018F	2019F	2020F	2021F	2022F	CAGR (2017E-2022F)
Lighting Control	57.04	72.45	92.42	118.37	152.24	196.60	28.08%
HVAC Control Systems	46.17	58.53	74.49	95.20	122.17	157.42	27.80%
Security & Access controls	31.80	40.90	52.82	68.50	89.19	116.60	29.68%
Entertainment Control Systems	23.93	30.79	39.77	51.58	67.17	87.83	29.70%
Others*	27.61	35.42	45.62	59.01	76.64	99.94	29.34%

*NOTE: Others include Energy Management Systems, Home Healthcare, Smart Kitchen, etc.

Source: TechSci Research

Rest of Middle East Smart Homes Market Size, By Value

Rest of Middle East's Share in Middle East Smart Homes Market, By Value, 2016 & 2022F

Rest of Middle East

2016 ▶ 5.65%

2022F ▶ 3.91%



Rest of Middle East includes countries such as Jordan, Bahrain, Oman, Iran, etc. Growing awareness regarding smart homes is increasing in these countries. In addition, companies are slowly shifting their focus on these Middle Eastern countries.

The market of smart homes in the rest of Middle East & Africa is projected to grow at a CAGR of 20.45%, in value terms, during forecast period.

Rest of Middle East Smart Homes Market Size, By Value, 2012-2022F (USD Million)

CAGR (2012-2016)	2012	2013	2014	2015	2016	2017E	2018F	2019F	2020F	2021F	2022F	CAGR (2017E-2022F)
16.39%	13.03	15.19	17.70	20.60	23.92	28.75	34.61	41.69	50.24	60.54	72.91	20.45%

Rest of Middle East Smart Homes Market Share, By Application

Rest of Middle East Smart Homes Market Size, By Application, By Value, 2012–2016 (USD Million)

Application	2012	2013	2014	2015	2016	CAGR (2012-2016)
Lighting Control	4.49	5.21	6.05	7.02	8.12	15.99%
HVAC Control Systems	4.12	4.78	5.54	6.43	7.43	15.93%
Security & Access controls	1.72	2.02	2.37	2.78	3.25	17.13%
Entertainment Control Systems	0.96	1.13	1.33	1.57	1.85	17.85%
Others*	1.75	2.05	2.40	2.80	3.27	16.93%

Rest of Middle East Smart Homes Market Size, By Application, By Value, 2017E–2022F (USD Million)

Application	2017E	2018F	2019F	2020F	2021F	2022F	CAGR (2017E-2022F)
Lighting Control	9.73	11.67	14.01	16.82	20.20	24.24	20.03%
HVAC Control Systems	8.90	10.67	12.80	15.36	18.44	22.11	19.97%
Security & Access controls	3.93	4.75	5.76	6.99	8.47	10.27	21.19%
Entertainment Control Systems	2.25	2.74	3.34	4.07	4.96	6.04	21.87%
Others*	3.95	4.77	5.78	6.99	8.47	10.24	21.00%

*NOTE: Others include Energy Management Systems, Home Healthcare, Smart Kitchen, etc.

Source: TechSci Research

Market Dynamics

Drivers

Growing Awareness and Acceptance of Advanced Security Solutions

Growing awareness and acceptance of advanced security solutions across Middle Eastern countries has resulted in an increase in the adoption of smart home products for offering real time security, energy-efficient solutions, devices, etc., which, in turn, is expected to positively impact the region's smart homes market during forecast period.

Increasing Smart Devices Penetration

Increase in penetration of smartphones, smart wearables, tablets, etc. is propelling the demand for smart homes across Middle East region, as these devices help the users to manage and track the functioning of home appliances through various wireless protocols such as Wi-Fi, 3G, Bluetooth, etc. and sensors for enabling automated functioning of appliances.

Technological Advancements

Increasing technological advancements, such as motion sensing air conditioners, gesture control, energy saving lighting control solutions, etc. are helping the users to control door locks & lights, adjust thermostats, etc. of their smart home from anywhere in the world. Thus, backed by continuous technological advancements, the Middle East smart homes market is expected to grow at a robust pace in the coming years.

Challenges

High Initial Installation Cost

At the initial phase of installation, the cost of solutions and systems deployed for converting a home into smart home is very high as these solutions offer connectivity between different devices such as home energy monitors, infotainment gadgets, medical appliances, gaming consoles, communication hubs, etc.

In addition, custom systems require a consultant to install them, which further increase the cost of these systems.

Compatibility Issues

For a smart home to function properly, connected devices should be compatible with communication protocols for performing various functions. However, with increasing introduction of new technologies, devices connected with immature technology are not able to communicate with the those connected with new technology. Hence, the lack of compatibility among these devices is posing a threat to the market of smart homes in Middle Eastern countries.



Market Trends & Developments



Increasing Construction Market

Growing awareness regarding highly advanced and secure infrastructure in Middle East is boosting the construction of new and smart buildings across the region. Therefore, the adoption of smart home systems and solutions is expected to increase for offering automated and secure solutions to the users in the coming years.



Surging Demand for IoT Solutions

Backed by technological and infrastructural developments and growing usage of mobile devices such as smartphones, tablets, laptops, etc., the connectivity between inhabitants of Middle Eastern countries is increasing. To make the digital lifestyle a reality in the region, the demand for IoT infrastructure and related solutions is increasing.



Booming Smart Wearables Market

In the Middle East, the deployment of smart wearable devices is increasing due to growing investments in wearable technology by various organisations and surging demand for smartwatches. Thus, growing usage of smart wearable devices is expected to aid Middle East smart homes market during 2017 – 2022, as these devices are used for personalization of ambient environment, remote monitoring of various devices and systems, etc.



Growing Number of Smart Cities

Number of smart cities in the region is increasing due favorable government initiatives and several benefits offered by smart cities. For instance, in May 2017, Saudi Arabia declared to set up 10 smart cities to fulfil the goal of National Transformation Program 2020. Thus, with growing trend of smart cities, the region's smart homes market is expected to propel.



Increasing Deployment of Data Analytics

In smart homes, data analytics technology is used to maintain security and privacy with the help of sensors and save electricity by deploying smart energy meter. Deployment of data analytics in smart home applications analyses the user's behavior and take required actions, thus simplifying the user's day-to-day life.

Strategic Recommendations

Key Focus Area Entertainment Control Systems

With increasing demand for smart consumer electronic products, companies in Middle East are integrating advanced technologies such as Artificial Intelligence and IoT, to make entertainment systems easy to use and smart. Moreover, companies and technology providers are converting entertainment into smart entertainment. With increasing penetration of Smart TVs, intelligent lighting, Smart ACs, etc., the demand for entertainment control systems is increasing at a robust pace in the Middle Eastern countries. Thus, entertainment control system providers are recommended to focus on R&D to develop efficient and engaging smart devices for improved user experience.

Partnership with Residential Real Estate Developers

With growing population, the demand for household is increasing exponentially in the Middle East. Moreover, with increasing spending power of consumers, the demand for smart homes is picking up pace, which, in turn, is motivating the residential real estate developers to enter smart homes market. Thus, companies specifically dealing in smart lightening systems and security & access control systems can directly partner with real estate developers, and supply their products to support the upcoming demand. Moreover, smart homes players are also recommended to customize their products according to the builder's requirement in order to increase their revenues.

Focus on Data Analytics

Smart devices are becoming more smart and intelligent due to the implementation of data analytics. These smart devices collect the user's data on real time basis, which can be analyzed by applying various algorithms to fetch out meaning results for the user. Data analytics is used across various industries, and help companies and organizations to make better decisions. In addition, it provides various benefits to the users such as breaking down the big picture into a small one for better understanding and helps in taking critical decisions from the data findings. Data analytics is used in smart homes for maintaining security and privacy with the help of the sensors data; in healthcare environment; in saving the energy by deploying the smart energy meter as data from smart meter helps in minimizing waste; etc. Hence, companies are recommended to integrate data analytics in their smart homes solutions.