



HIRI

HOME IMPROVEMENT
RESEARCH INSTITUTE

Your schedule

- 8 AM Morning Walk
- 9 AM Board Meeting
- 10 AM Work
- 12 PM Lunch with Family
- 2 PM Work
- 5 PM Dinner



Adoption of Smart Home and Energy Efficiency Products Among Middle Income Families

Adoption of Smart Home and Energy Efficiency Products Among Middle Income Families

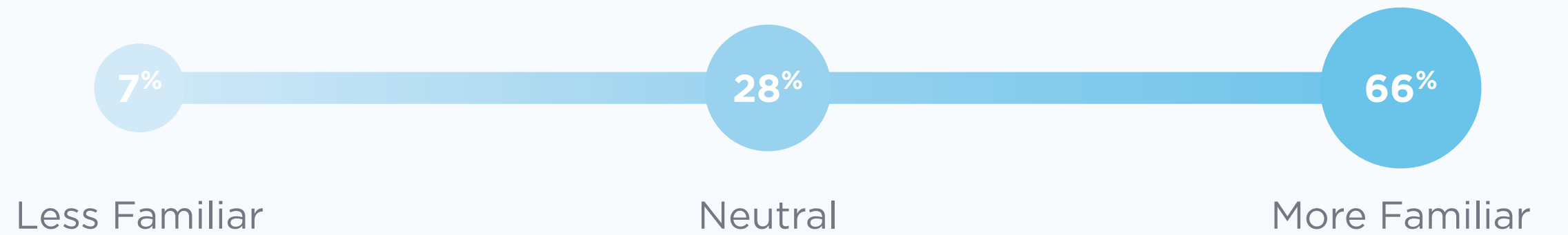
HIRI recently surveyed over 8,000 homeowners to provide the home improvement industry with an understanding of both how familiar homeowners are with energy efficiency, smart home technologies and sustainability practices and an understanding of what motivates and drives homeowner interest in these areas.

Middle Income Familiarity with...

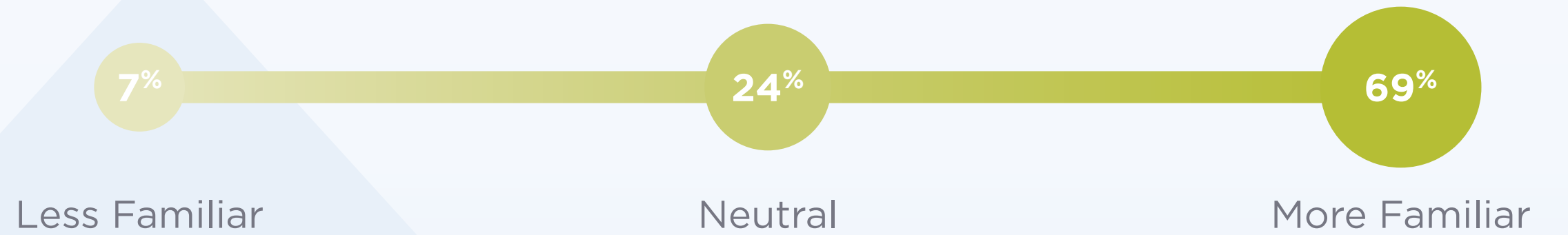
Through HIRI's research, we found that over the next five years, **more than one-third of homeowners** plan to invest in smart home systems and energy-efficient appliances. Interest is driven by **improved product quality, cost savings, and growing social and environmental consciousness**. However, **rising costs and financial concerns** outweigh climate change as primary factors influencing these decisions.

While the full study addresses these topics across seven distinct customer segments, let's take a closer look at one group in particular, the **middle income family**, which currently shows the **most promise** for smart home and energy efficiency product adoption.

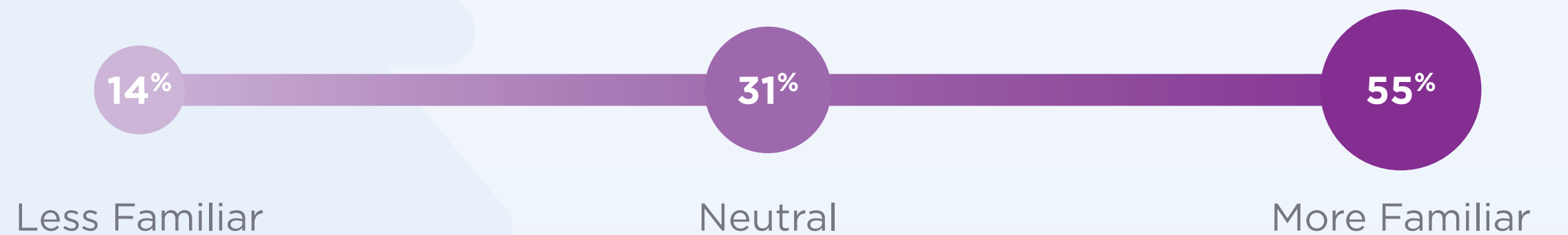
Smart Home Technologies



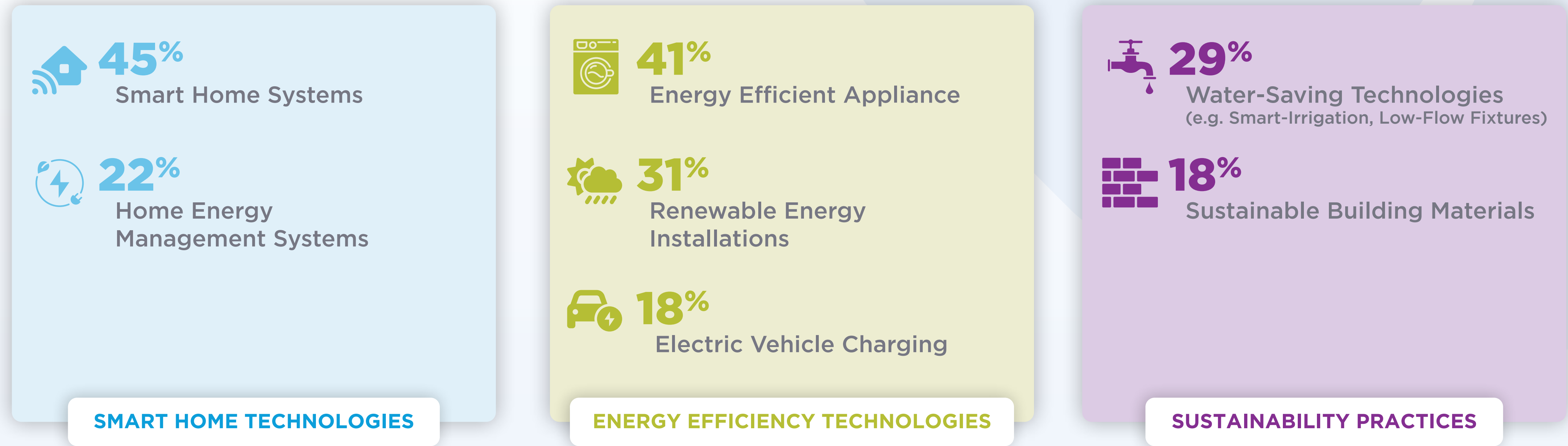
Energy Efficiency Technologies



Sustainability Practices



Middle Income Family Likelihood of Adoption Over the Next 5 Years....

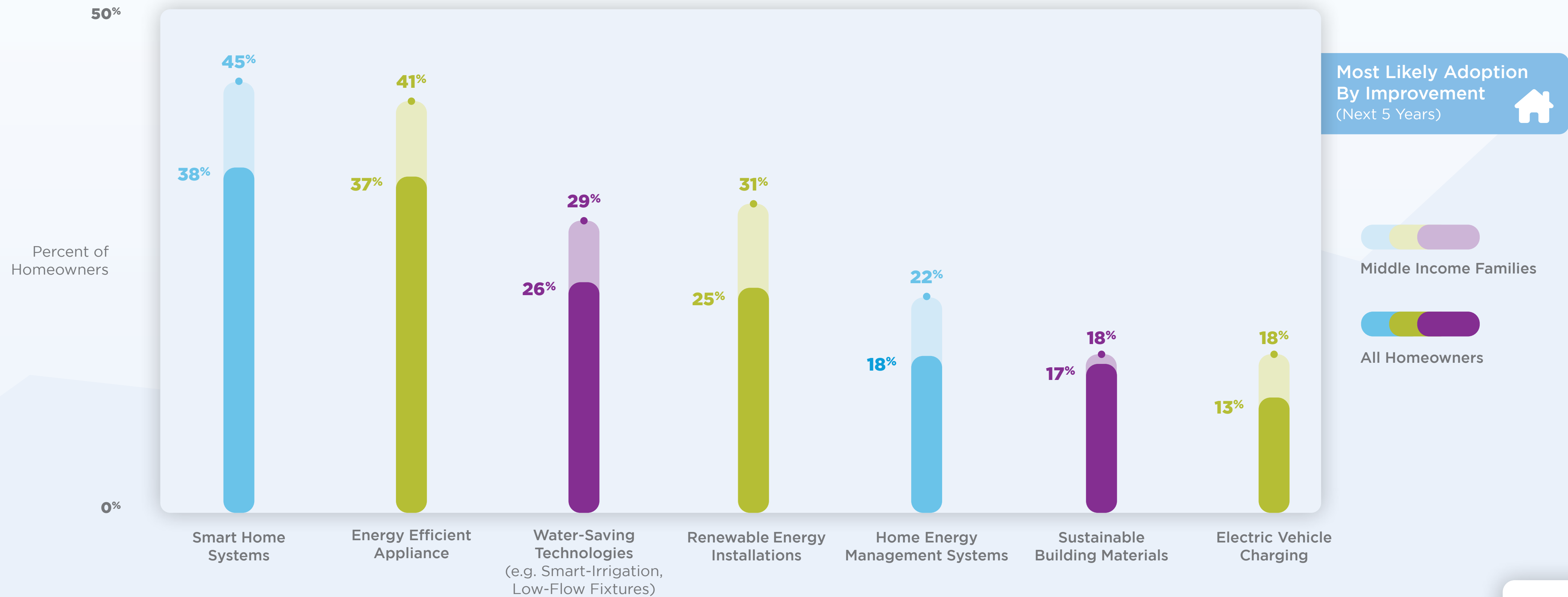


The majority of middle income families are familiar with smart home, energy efficiency, and sustainability practices in the context of their home. Across these three categories of technologies, **familiarity is consistently 15-16% higher among middle income families** than the next nearest segment.

....Compared with All Homeowners Likelihood of Adoption Over the Next 5 Years

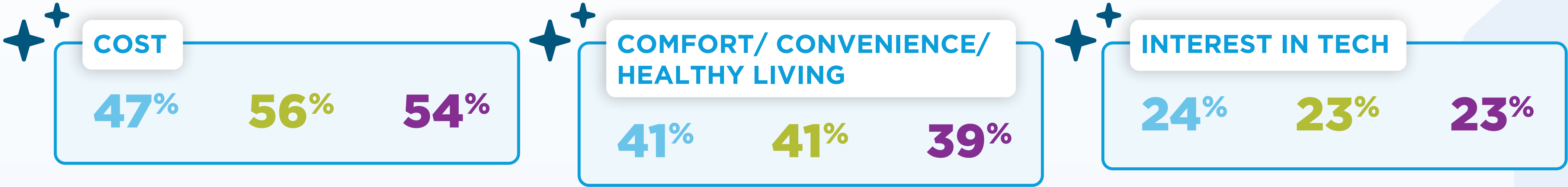
In tandem with value concerns (e.g. cost and enhanced product durability/longevity), homeowners are at least **42% more likely** to adopt smart-home and energy-efficient appliances than other technologies.

Which emerging technologies related to energy efficiency, smart homes, or sustainability are you most likely to adopt in the next 5 years?

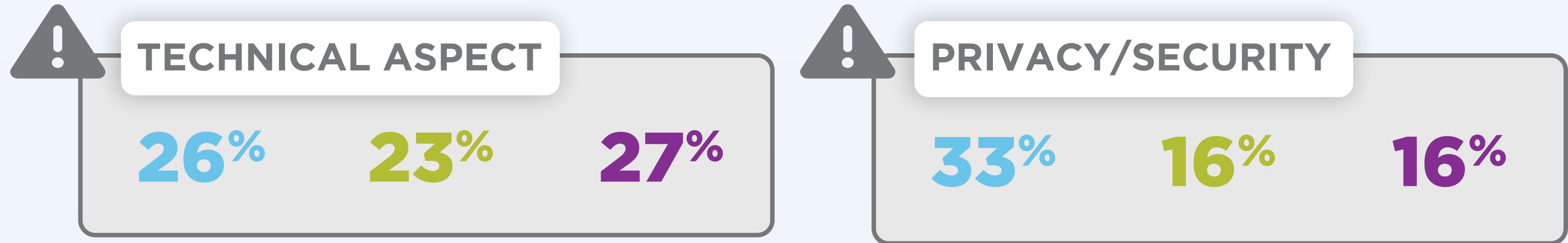


Motivators to Middle Income Families Investing in...

- Smart Home Technologies
- Energy Efficiency Technologies
- Sustainability Practices



Barriers to Middle Income Families Investing in...

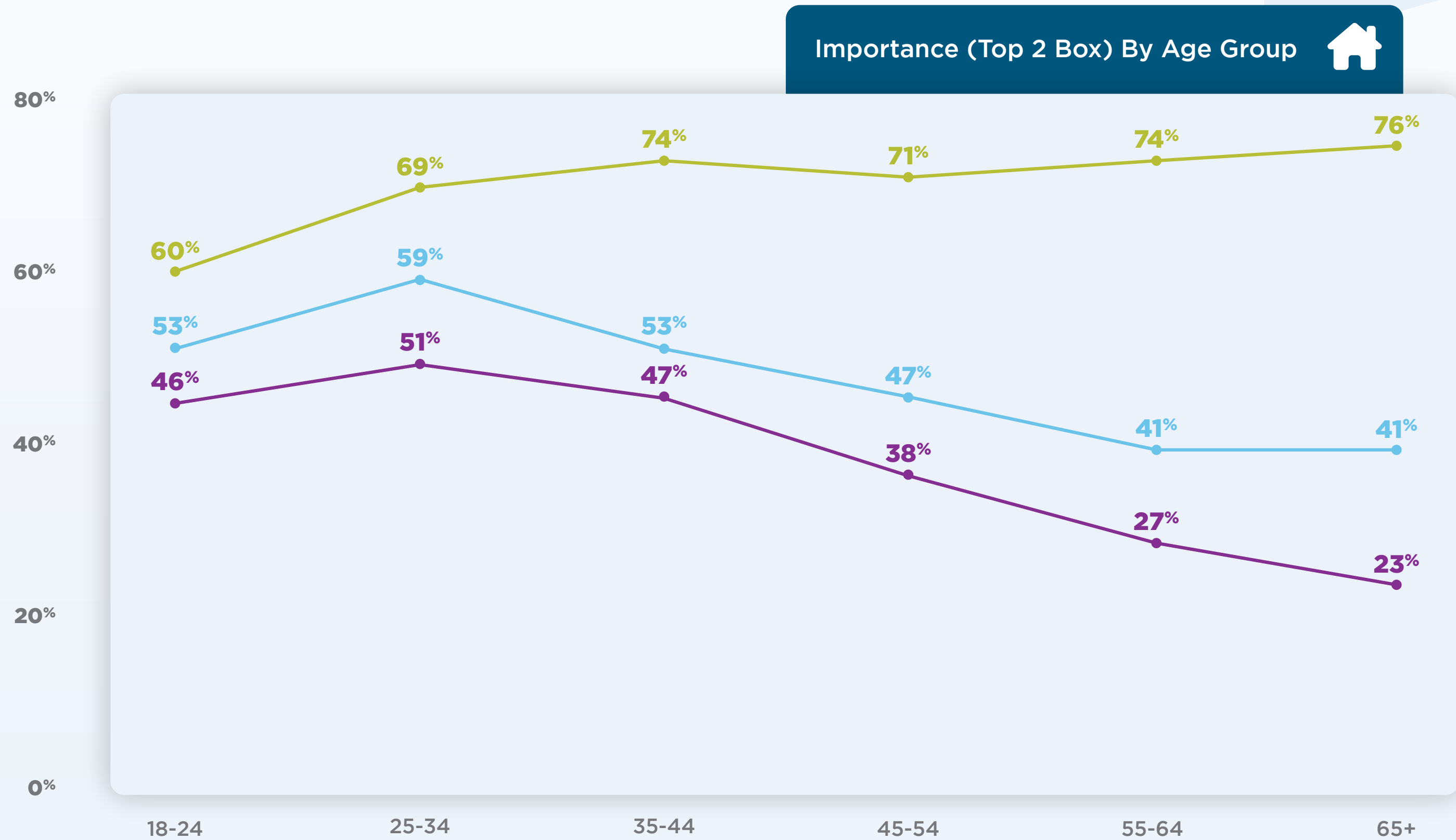


One in three homeowners are resistant to adopting smart home technologies due to **privacy and security concerns** and fewer see cost as a motivator for smart home technologies as compared to energy efficiency and sustainably built home improvement investments.



Nearly **three-quarters** of respondents consider **energy-efficiency** important when making home improvement decisions, in contrast to only **half** considering **sustainability** important and even fewer, **one-third**, considering **smart home integrations** important when making home improvement decisions.

Further, energy efficiency becomes **more important** as homeowners age.



3/4

consider energy-efficiency important

1/2

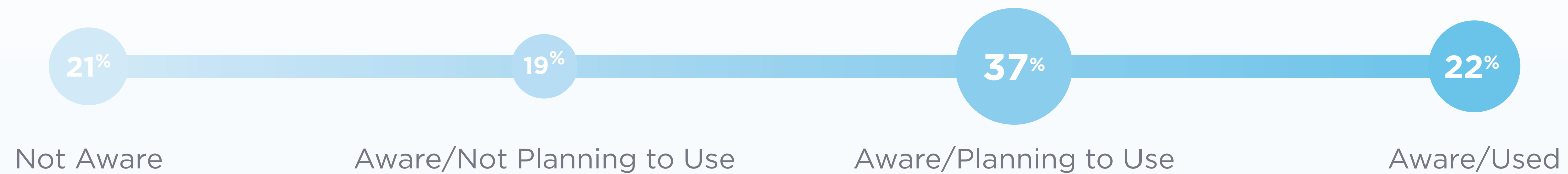
consider sustainability important

1/3

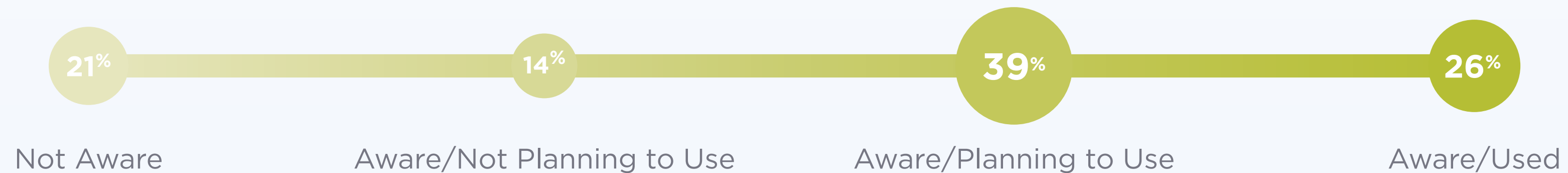
consider smart home integrations important

- Energy Efficiency
- Smart Home
- Sustainability

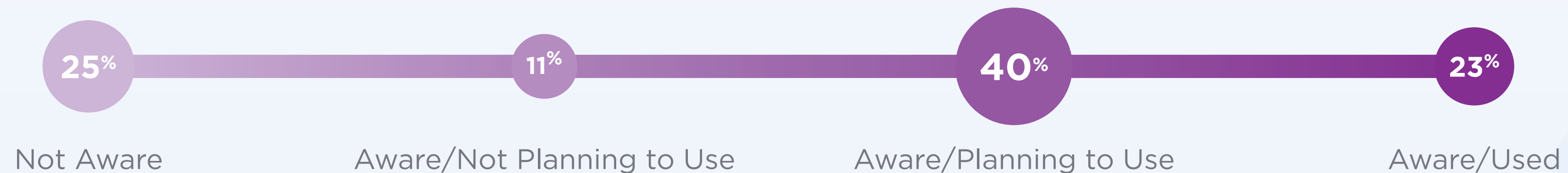
Smart Home Technologies



Energy Efficiency Technologies



Sustainability Practices



Middle Income Use of Incentives/Rebates for...



Across all homeowner segments, recent movers are ~2x more likely than all homeowners to be aware of and/or use rebates/incentives across categories.

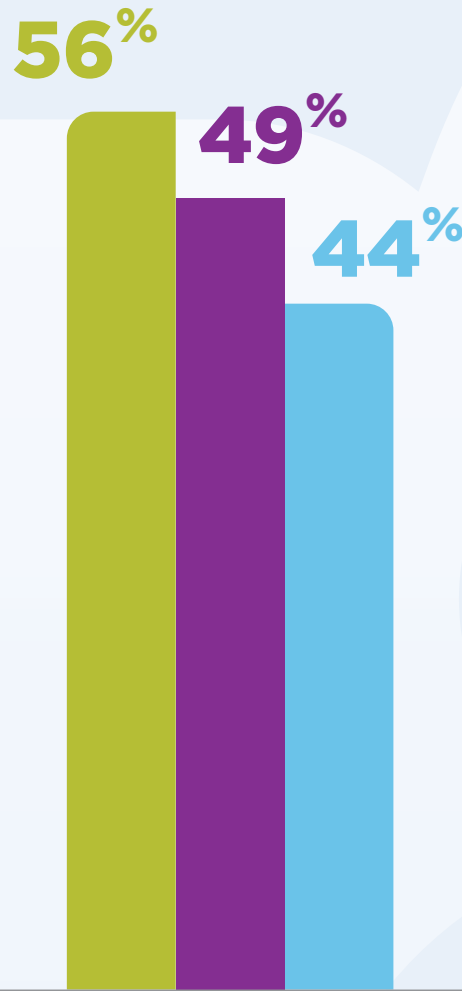
Aggregated Findings From Across All Homeowners

Four in ten homeowners report changing their perspectives over the past 5 years due to **product improvements, cost savings, and environmental and social consciousness** while a **quarter** of respondents are unchanged.

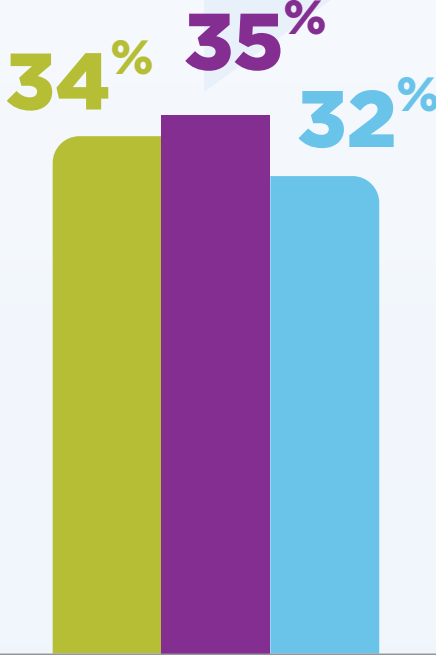
How has your perspective on energy efficiency, smart homes, and sustainability in home improvement evolved over the past few years, and what influenced this change?



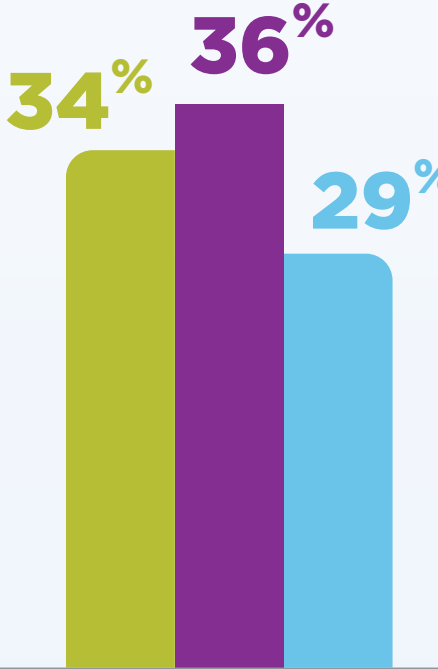
CHANGE IN PERSPECTIVE



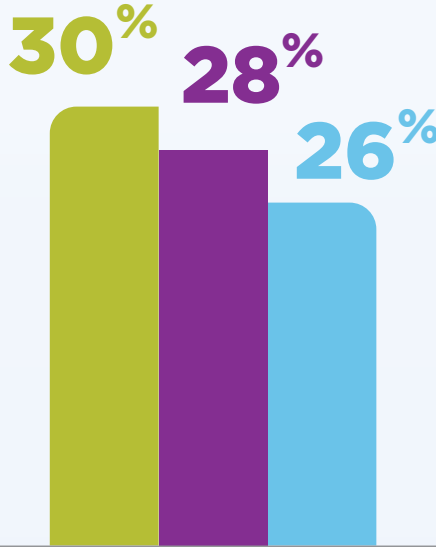
Rising Costs



Home Value



Durability/Longevity



Incentives Rebates

Share of Homeowners Stating Intent to Make Increase Investments Over the Next 5 Years

- Energy-Efficient
- Sustainably Built
- Smart Home



Smart Home and Energy Efficiency Perception Differences Between Buyer Segments

The above information only covers a subset of information from HIRI's Homeowner Trends in Energy Efficiency, Smart Home and Sustainability Study, available in full to HIRI members, which has in-depth reporting across the following distinct buyer segments:



Middle Income Family

Most likely to adopt **energy-efficiency, smart home, and sustainably** built home improvements among all segments.



Low-Moderate Income Family

Most likely to adopt **sustainable building materials** and more likely to adopt **water savings, renewable energy installations, home energy management systems, and electric vehicle charging improvements** than most other segments.



Empty Nesters

More likely to adopt **smart home technologies and energy-efficient appliances** than most other segments and they are more likely to **increase investment for energy independence** than most other segments.



Married Retirees

Most likely to adopt **energy-efficient appliances** among all segments.



Single Young Adults

Second most likely to adopt **sustainably built home improvements**, but overall, less likely to adopt energy-efficient and smart home improvements than most segments.



Single Workers/Families

Second least likely to adopt any **energy-efficiency, smart home, and sustainably built home improvements** among segments.



Unmarried Retiree

Least likely to adopt any **energy-efficiency, smart home, and sustainably built home improvements** among segments.

Most Likely To Adopt

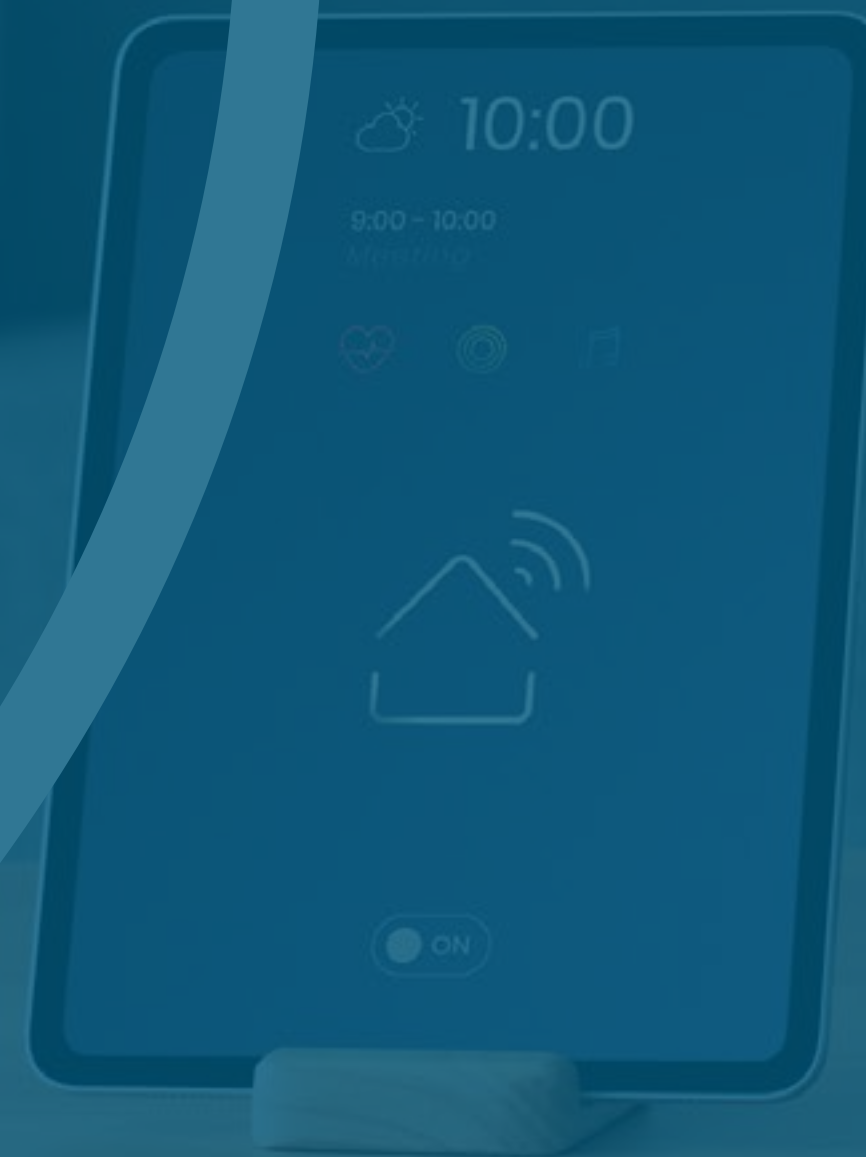
Second Most Likely To Adopt

Least Likely To Adopt



HIRI

HOME IMPROVEMENT
RESEARCH INSTITUTE



**Adoption of Smart Home and Energy Efficiency
Products Among Middle Income Families**