



HVAC

MARKET RESEARCH



Agenda

- 1. Methodology**
- 2. Residential market intelligence**
- 3. Commercial market intelligence**
- 4. Big cross-sector changes and drivers**



Method

- 1. Distributor sales data**
- 2. Interviews with market actors**
- 3. Discussions with BPA program staff**
- 4. Secondary data**
- 5. 2016 AHR Trade Show Interviews**

The background features a dark teal color with two overlapping circles of a lighter teal shade. The word 'RESIDENTIAL' is rendered in a large, white, sans-serif font with a diagonal hatching pattern. Below it, the words 'MARKET INTELLIGENCE' are in a smaller, solid white, sans-serif font.

RESIDENTIAL

MARKET INTELLIGENCE



**ELECTRICALLY-
HEATED HOMES**

55%

HAVE DUCTS





PERCENT OF ASHP SHIPMENTS

100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%

2010

2011

2012

2013

2014



REGIONAL PROGRAMS REBATE

10-12%

OF ALL ASHP SALES





80%

OF ASHP SALES ARE
BELOW 9.0 HSPF





HEAT PUMPS
LAST FOR

15+ yrs.

A black and white photograph of a technician wearing a dark jacket and a tool belt. The technician is holding a clipboard and a pen. The tool belt is filled with various tools, including pliers, a wrench, and a hammer. A large teal circle is overlaid on the left side of the image, containing white text.

**INSTALLATION
PRACTICES**

86%

**OF HEAT PUMP
SAVINGS**

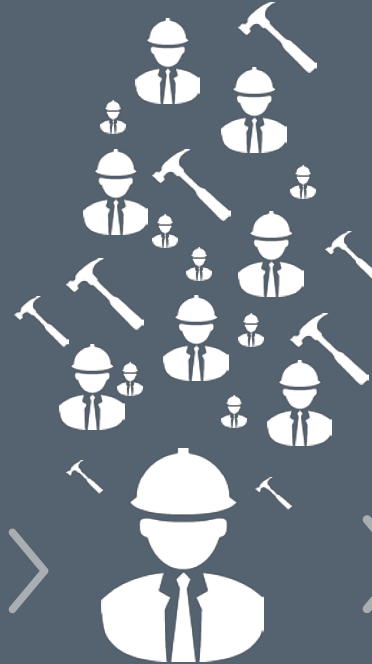


HIGH-EFFICIENCY
HVAC SALES MAY NEED A

BOOST



SUPPLY CHAIN



Manufacturers

Distributors

**Contractors
& Builders**

End Users





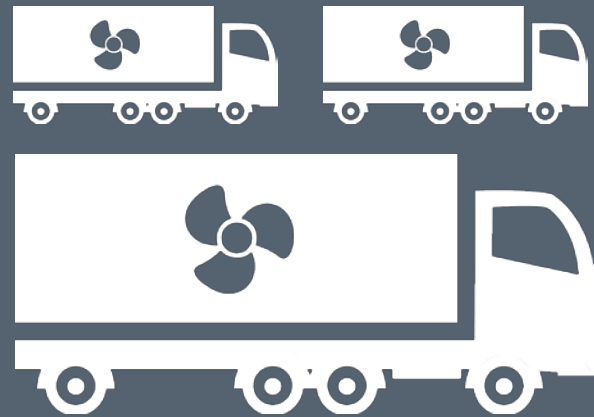
SUPPLY CHAIN LAYERS

Consolidated

MARKET PLAYERS



Manufacturers

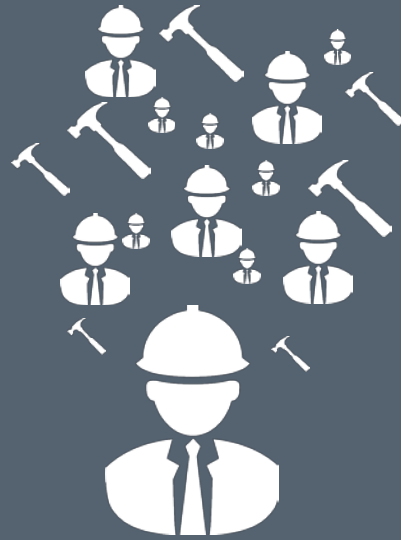


Distributors



Fragmented

MARKET PLAYERS



**Contractors
& Builders**



End Users



BRING IN

Distributors + Manufacturers



When do you
need a new
heat pump?





When units get

OLD

~56% of sales





When
New Homes
are built
~44% of sales



COMMERCIAL

MARKET INTELLIGENCE



**ELECTRICALLY-
HEATED BUILDINGS**

70%

HAVE DUCTS

A man wearing a black beanie, glasses, a plaid shirt, and blue overalls is using an axe to cut a tree trunk in a forest. The tree trunk is large and has a rough, textured bark. The background shows a dense forest of green trees.

97%

OF ASHP SOLD WERE
STANDARD
EFFICIENCY

A man wearing a black beanie, glasses, and a plaid shirt is using an axe to cut a tree trunk in a forest. The tree trunk is the central focus, with the man's hands and the axe positioned around it. The background shows a dense forest with green foliage.

82%

OF PACKAGED AC SOLD WERE
STANDARD
EFFICIENCY

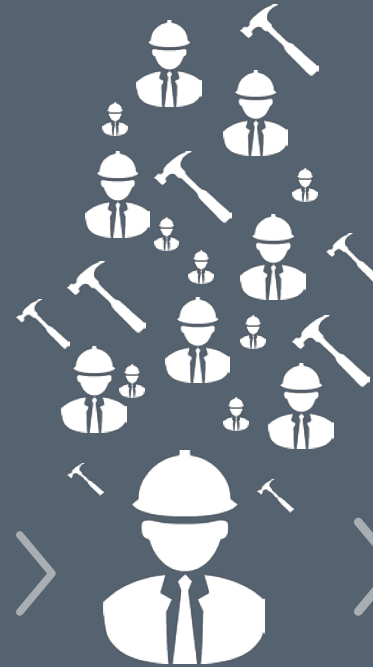
SUPPLY CHAIN



Manufacturers



Distributors



**Contractors
& Builders**



**Commercial
Buildings**



Manufacturer Representative

DECISION CHAIN

2 APPROACHES

PLAN + SPEC

OWNER/OWNER'S
REPRESENTATIVE



ARCHITECT/
ENGINEERING FIRM



MECHANICAL
CONTRACTOR

DESIGN-BUILD

OWNER



DESIGN-BUILD
FIRM



DISTRIBUTOR



BUILDING SPECIFIERS

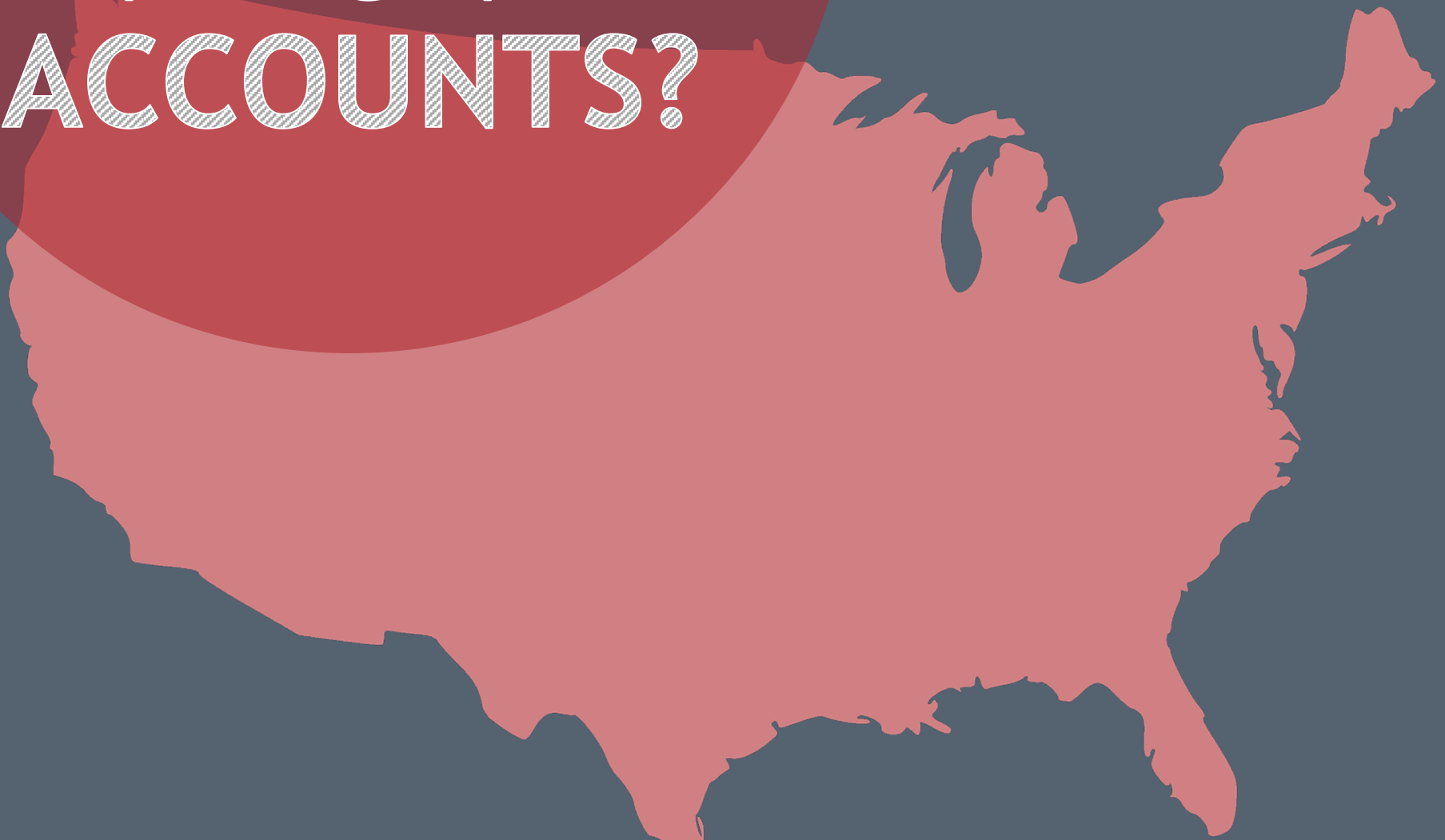
INFLUENCE
PLAN + SPEC



**DISTRIBUTORS &
DESIGN-BUILD FIRMS
INFLUENCE DESIGN-BUILD PROJECTS**



WHAT ABOUT NATIONAL ACCOUNTS?





BIG
CROSS-MARKET
CHANGES AND DRIVERS



STANDARDS

ARE RAISING
THE BAR



The industry is excited about

DUCTLESS

 **YORK** HITACHI

 **DAIKIN**

Daikin acquired Goodman

 **LENNOX**

Lennox announced VRF line
December 2013

 **TOSHIBA**

Carrier launched
VRF January 2015

 **TRANE**

Trane
Launched VRF
May 2013

MITSUBISHI

Brand is strong
enough in US to
stand alone

Ducted
Partner

Ductless
Partner



\$1 Billion

TECHNOLOGY

VR



Market actors

WAY UP

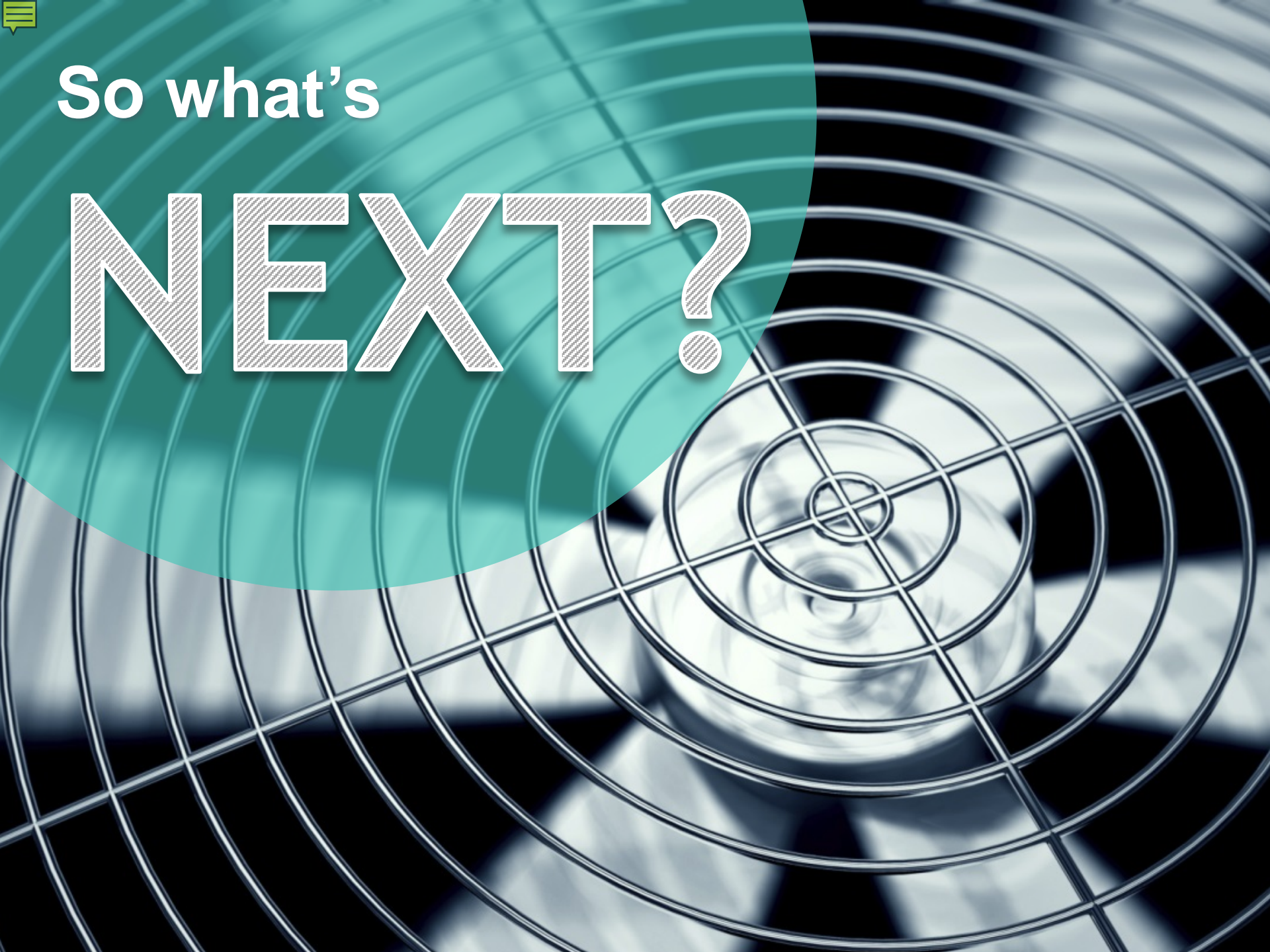
the supply chain





So what's

NEXT?





Learn More!

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www.bpa.gov/goto/HVAC

