

RESEARCH

UTOPIA EXCLUSIVE

SMART HOME TECHNOLOGY EVOLVES FROM ADD-ON TO MUST-HAVE

A new survey of homebuilding industry professionals by Utopia reveals the smart home tech features that builders offer as standard and upgrade options.

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Thanks to the [Housing Innovation Alliance](#) for assistance in producing this exclusive research report.*



Illustration: Mohamed Hassan, Pixabay

Smart home tech has become more than a nice-to-have upgrade. Many in the homebuilding industry now deliver it as a standard offering.

That’s a key takeaway from a new UTOPIA survey of 357 builders, architects, home designers, remodelers, and contractors. More than a third (37%) of respondents to the 2021 Utopia Smart Home Technology Survey are homebuilders (single family, custom, or multifamily), while 27% are architects or designers for single family homes and 16% are architects or designers for multifamily projects.

1. What is your company's primary business?

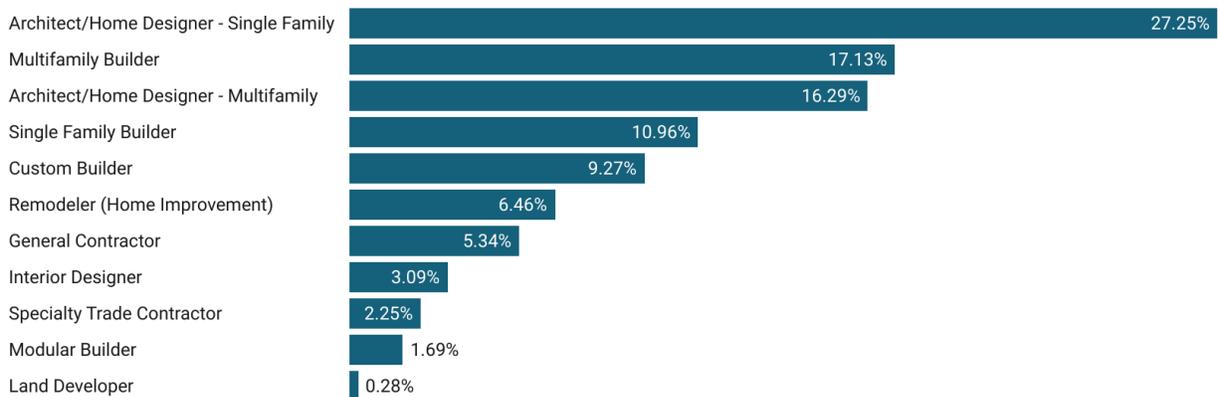


Chart: 2021 Utopia Smart Home Technology Survey, ConstructUtopia.com • Created with Datawrapper

Smart home features are now standard in all the homes of close to half (46%) of respondents. Almost a third offer smart home features as an upgrade option. Almost one-fifth offer such features as both standard and upgrade options. And very few (less than 3%) do not sell or market smart home features at all.

2. Do you currently market/sell smart home features?

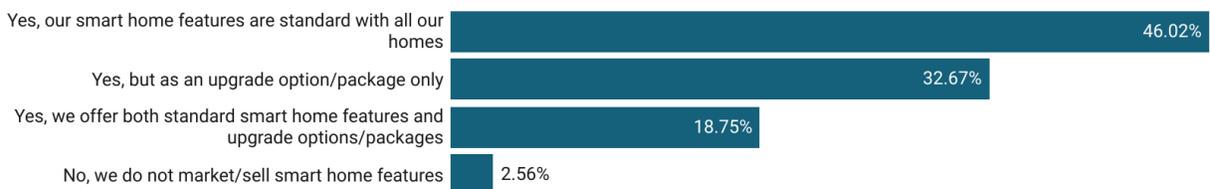


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Of the smart home features that are a standard offer, the most common is the video doorbell. Almost a third of respondents provide video doorbells as standard, and 42% offer them as an upgrade.

3A. What smart home features do you currently market as a STANDARD feature? (multiple selections permitted)

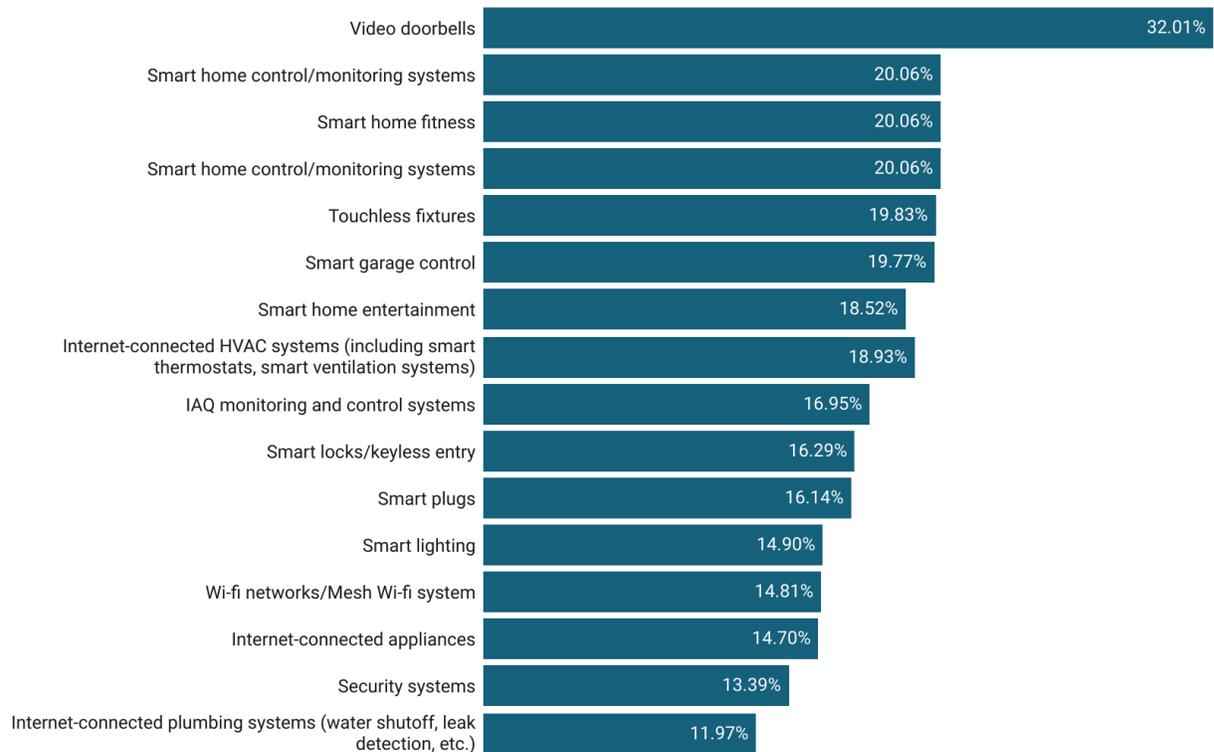


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Here are the seven most common smart home features that are standard in respondents' homes:

- Video doorbells (32%)
- Smart home fitness (20%)
- Smart home control and monitoring systems (20%)
- Touchless fixtures (20%)
- Smart garage control (20%)
- Internet-connected HVAC systems (19%)
- Smart home entertainment (19%)

It's not surprising, then, that respondents say video doorbells, an integral part of home security, are the most important smart home feature for their buyers.

3B. What smart home features do you currently market as an upgrade option? (multiple selections permitted)

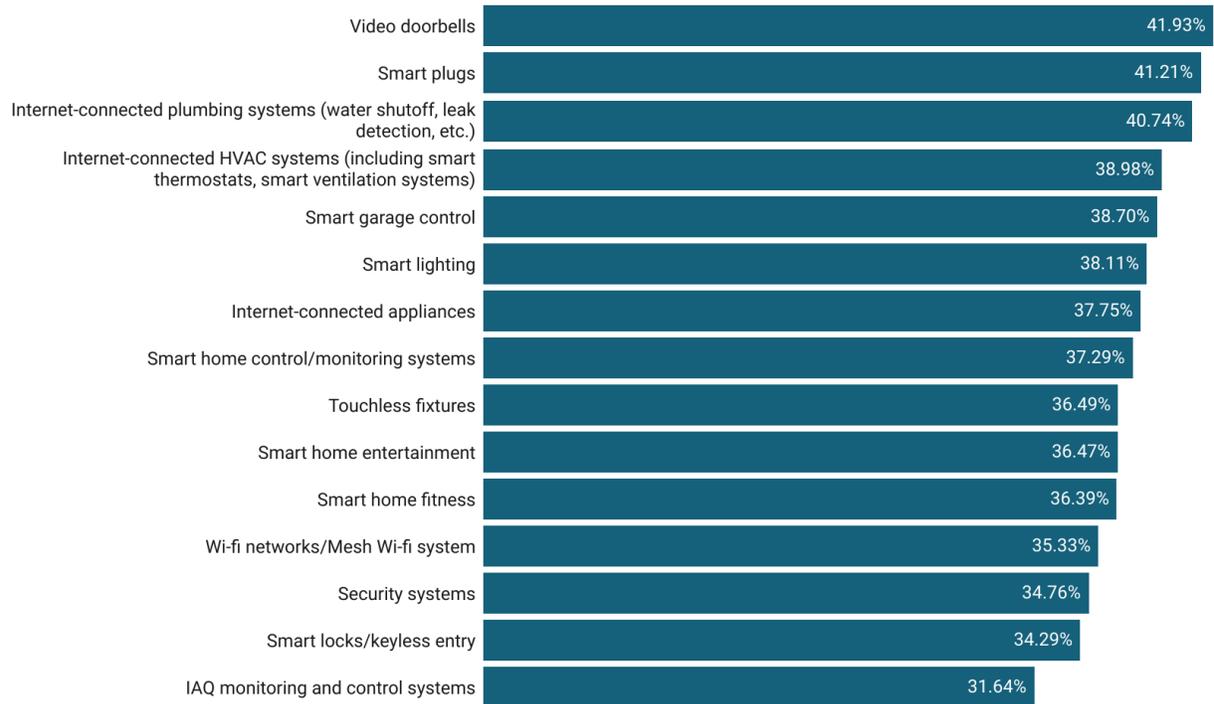


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But there's also a bit of a disconnect between the smart tech that builders install and the smart tech they think their buyers want. Less than 14% of respondents specifically have smart security systems as a standard offering. Yet respondents overall see smart security systems as the third most important smart home feature for their buyers—just behind smart locks and keyless entry.

Similarly, less than 15% of respondents provide wi-fi networks and mesh wi-fi systems as a standard offer. Yet respondents see this smart tech feature as the fourth most important one for their buyers.

The survey also revealed an area with promising growth potential: a phone app that controls smart home tech.

4. Most important smart home features to buyers (No. of respondents who ranked tech as a top-three feature):

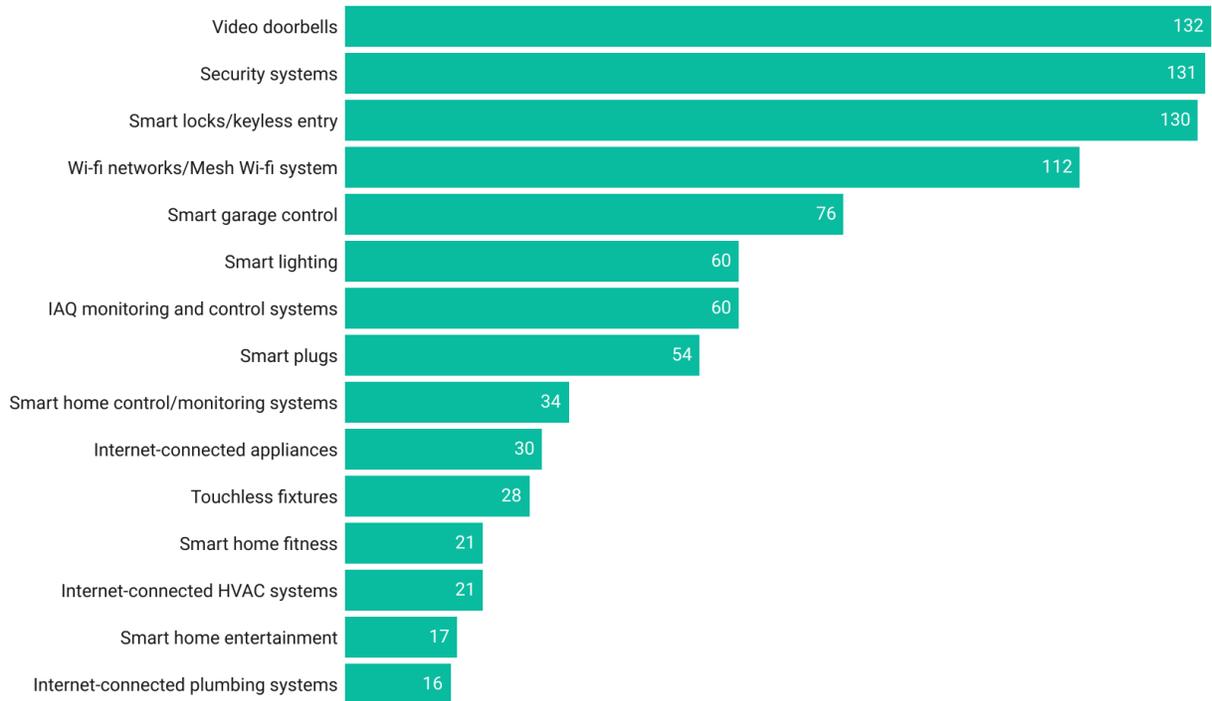


Chart: 2021 Utopia Smart Home Technology Survey, ConstructUtopia.com • Created with Datawrapper

When asked what share of their buyers they think would pay a premium to control some or multiple areas of their home via a phone app, over 38% say most of their buyers. Almost 21% say almost all their buyers. And almost one-third say about half their buyers. Less than 1% think very few of their buyers would pay extra for this feature.

“Homeowners want one platform to access all their smart home functions,” one respondent writes.

“They want to be able to control the products that control their homes,” another says. “Buyers want a simple and singular app that does not take a lot of effort to use.”

Another trend the survey reveals: Whole-house smart home features are more common than single-room features.

5. What share of your buyers/clients do you think would pay a premium to be able to control some or multiple areas of their home via an app on their phone? (multiple selections permitted)



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Over 23% of respondents who offer smart home features provide whole-house systems, such as smart plumbing, smart HVAC, and smart lighting. Over 22% provide whole-house internet connectivity, such as mesh wi-fi networks, smart plugs, and smart speakers. And almost 17% provide whole-house security, including video doorbells, smart locks, and security cameras.

6. If you offer smart home features, in what areas of the home do you offer them? (multiple selections permitted)

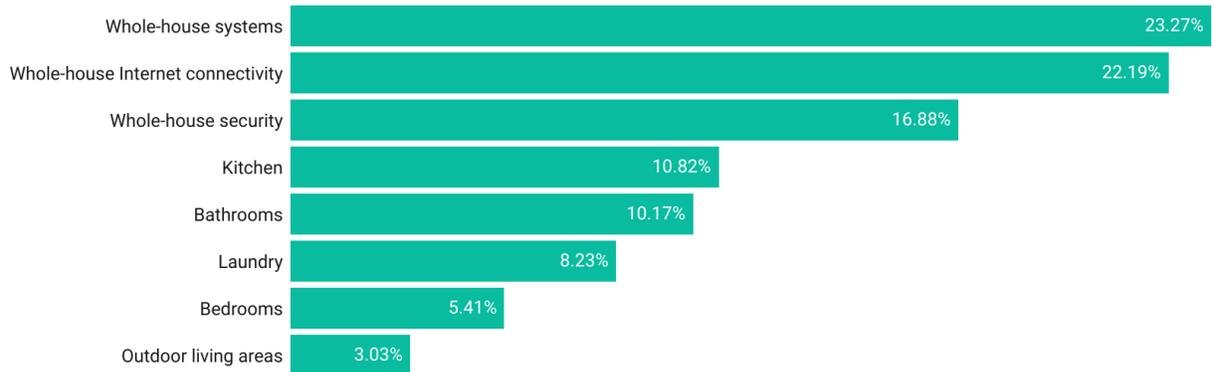


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The percentages decline significantly for single-room smart tech. Less than 11% provide kitchen features, such as internet-connected appliances. Roughly the same percentage provide bathroom tech, such as touchless faucets and toilets. About 8% offer laundry features, such as internet-connected washers and dryers. And only about 5% offer smart tech in the bedroom, like air-quality sensors and smart lighting.

7. What do you see as the biggest homeowner/homebuyer pain points to address with smart technology? (multiple selections permitted)

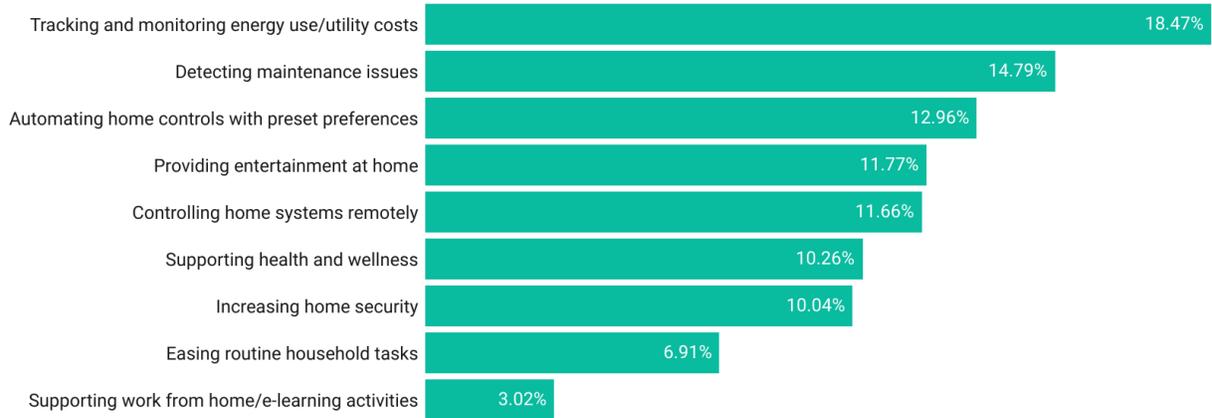


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But this comes with a caveat: Among whole-house and single-room features, whole-house systems require the most homeowner education both before the sale and after closing (according to 27% and 26% of respondents, respectively).

Despite their adoption of smart home tech, many find it challenging to integrate, market, or sell smart home features in their new homes or remodeling projects.

Survey respondents cite pain points such as buyers' reluctance to spend more on the tech, their lack of awareness or understanding of the products, and their reluctance to learn about them or even use them. There's also the related challenge of having salespeople explain the benefits of smart tech to their buyers.

BIGGEST PAIN POINTS FOR BUILDERS

We asked survey respondents to identify their single-biggest pain point/challenge when it comes to integrating, marketing, or selling smart homes. Their comments generally fell into three areas: training, technology, and cost.

TRAINING/EDUCATIONS ISSUES

"Training the salespeople on how to explain the benefits of the technology."

"Homeowners unwillingness to learn about their home or new features."

"Builders never budget for the time it takes to walk the homeowner through everything."

"Client's trepidation on trying new tech."

"Homeowners will doubt its usefulness, and the price is high."

TECHNOLOGY ISSUES

"Not having wifi in the homes prior to closing makes it difficult to integrate. We have adjusted to a different product that has eased this pain."

"There is no intelligent voice control in the home."

"Finding what is most compatible with the other products provided by other trades."

"Finding equipment and apps that will not be 'phased out' in less than a couple years."

"Finding tech that actually works. That can be demonstrated."

"Smart furniture can't be controlled by voice."

COST ISSUES

"Cost is always the most difficult impediment. Second is fear of computer technology. Third is fear of loss of privacy control."

"Balancing value vs. cost."

"Customers tend to feel the price is higher."

WHAT SMART TECH IS MISSING IN THE MARKET?

We asked respondents to identify smart home technology/features/services that are missing from the market. Their comments generally fell into two areas: service and maintenance and technology.

SERVICE AND MAINTENANCE

"Remote service support."

"The lack of service in the market. A good service attitude is behind every success."

"Security of home security systems." (To help address concerns over privacy and data security.)

TECHNOLOGY

“Smart lighting options.”

“Smartphone remote control.”

“Intelligent voice-activated toilets, appliances, furniture, etc.”

“Intelligent garage controls.”

“Integrated ERV and kitchen/bath exhaust with HVAC systems.”

“A simple, singular app that does not take a lot of effort to use. We have a broad range of technical users, from novice to advanced. To get a novice buyer to be happy with the system is unlikely. And, with us including the app as standard, advanced buyers feel like they do not have a choice if they are already users of a competitor brand.”

“Energy management centers that control the entire home.”

“Comprehensive HVACR controls that are reliable. We need to get rid of the separate thermostat, ERV, and humidification controls. The AC thermostat should be able to control the radiant floors.”

“Air quality monitoring.”

END

***Source: 2021 Utopia Smart Home Technology Survey, ConstructUtopia.com
Published: August 25, 2021. Thanks to the [Housing Innovation Alliance](https://HousingInnovationAlliance.com) for assistance in producing this exclusive research report. For more research from the editors of Utopia, visit ConstructUtopia.com and scroll down to the “Research Reports” section on the homepage.***