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WILMINGTON, DE, UNITED STATES, June 18, 2025 /EINPresswire.com/ -- Home Warranty Service Market: Trends, Growth, and Forecast (2021–2030)

Market Overview

According to a detailed report by Allied Market Research titled "[Global Home Warranty Service Market Analysis and Industry Forecast, 2021–2030](#)," the global home warranty service market was valued at \$7.3 billion in 2020 and is projected to reach \$13.6 billion by 2030, growing at a compound annual growth rate (CAGR) of 6.3% from 2021 to 2030. This growth is driven by increasing awareness of the benefits of home warranty services, rising demand for cost-effective repair and maintenance solutions, and expanding coverage in both residential and commercial sectors. Despite challenges such as hidden charges and complex terms, the market is poised for significant expansion, particularly in emerging economies.

For more information, contact Allied Market Research at <https://www.alliedmarketresearch.com/request-sample/A13578>

Home warranty services provide homeowners with financial protection against repair or replacement costs for appliances and home systems damaged due to natural calamities, poor construction quality, or normal wear and tear. These services typically cover items such as air conditioners, fans, plumbing, electrical systems, and other fittings in furnished properties. The process involves homeowners contacting their warranty provider when an issue arises, followed by an assessment by a partnered contractor and subsequent approval for repairs or replacements based on the policy terms.

Key Drivers of Market Growth

Benefits of Home Warranty Services

The primary driver of the home warranty service market is the protection it offers against

unexpected repair or replacement costs for critical home systems and appliances. Homeowners benefit from free or low-cost services provided by partnered contractors, reducing the financial burden of maintaining household equipment. This cost-saving aspect is particularly appealing in an era of rising maintenance expenses, making home warranty services an attractive option for both new and existing homeowners.

Rising Awareness

Growing awareness among consumers about the advantages of home warranty services is significantly contributing to market growth. As homeowners become more informed about the potential high costs of repairing or replacing appliances and systems, they are increasingly opting for warranty plans to mitigate these expenses. Educational campaigns by service providers and real estate professionals are further amplifying this trend, encouraging more individuals to invest in home warranty protection.

Expansion in Emerging Markets

In emerging economies, home warranty services are gaining traction as coverage extends to systems installed in both residential and select commercial properties. This expansion is creating lucrative opportunities for market players to tap into previously underserved regions. As disposable incomes rise and homeownership increases in these markets, the demand for warranty services is expected to grow, further driving market expansion.

Market Challenges

Despite its growth potential, the home warranty service market faces challenges that could impede its progress. One significant issue is the presence of hidden charges and complex terms and conditions imposed by some service providers. These factors can increase the overall cost of services post-maintenance or repair, leading to customer dissatisfaction and reluctance to renew contracts. Addressing transparency in pricing and simplifying contract terms will be critical for sustaining long-term market growth.

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Market Segmentation

By Distribution Channel

The market is segmented into brokers, agents & branches, and others. In 2020, the brokers segment was the highest revenue contributor, as brokers play a pivotal role in connecting homeowners with warranty providers. Their expertise and networks enable them to effectively market and sell warranty plans, driving significant sales in this channel.

By Type

The market is bifurcated into home systems and appliances. The home systems segment, which includes coverage for plumbing, electrical, and HVAC systems, dominated the market in 2020 due to the essential nature of these systems in maintaining household functionality. However, the appliances segment is also witnessing steady growth as homeowners seek protection for costly items like refrigerators and air conditioners.

By Sales Channel

The market is categorized into renewals, home resale, and direct-to-consumer channels. The renewals segment led the market in 2020, reflecting the high retention rates of existing customers who value the ongoing protection provided by warranty plans. The home resale channel is also significant, as warranties are often included in real estate transactions to enhance property value and provide peace of mind to buyers.

By Application

The market is divided into residential and commercial applications. The residential segment was the largest contributor in 2020, driven by the widespread adoption of home warranty services among homeowners. However, the commercial segment is gaining momentum as businesses recognize the value of protecting systems and appliances in commercial properties, such as office buildings and retail spaces.

By Region

Regionally, the market is analyzed across North America, Europe, Asia-Pacific, and LAMEA. Asia-Pacific generated the highest revenue in 2020, fueled by rapid urbanization, rising homeownership, and increasing awareness of warranty services in countries like China, India, and Japan. North America and Europe also hold significant market shares due to established real estate markets and high consumer awareness. The LAMEA region is expected to witness notable growth as emerging economies invest in housing and commercial infrastructure.

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Competitive Landscape

The home warranty service market is characterized by intense competition, with major players adopting strategies such as product launches and business expansions to strengthen their market position. Key companies profiled in the report include AFC Home Club, Cinch Home Services, Inc., First American Home Warranty, FNHW (Fidelity National Home Warranty),

Frontdoor, Inc., Home Buyers Warranty Corporation, Landmark Home Warranty, Old Republic International Corporation, Oneguard Home Warranties, and Transforms SR Brands LLC. These players are focused on enhancing their service offerings, expanding their geographic reach, and improving customer satisfaction to maintain a competitive edge.

For instance, companies are investing in digital platforms to streamline the claims process, making it easier for customers to file claims and track service requests. Additionally, partnerships with real estate firms and contractors are enabling providers to expand their distribution networks and offer tailored warranty plans to diverse customer segments.

Future Opportunities

The home warranty service market is poised for robust growth, driven by several emerging opportunities. The increasing adoption of smart home technologies, such as connected appliances and automated systems, is creating a new avenue for warranty providers to offer specialized coverage plans. These plans can address the unique maintenance needs of smart devices, further expanding the market's scope.

Moreover, the growing trend of homeownership in emerging markets, coupled with rising construction activities, is expected to drive demand for warranty services. As new homes are built and furnished with modern appliances and systems, homeowners will seek comprehensive warranty plans to protect their investments. Additionally, the commercial sector presents untapped potential, as businesses increasingly recognize the cost-saving benefits of warranty coverage for their properties.

The focus on customer-centric innovations, such as transparent pricing, flexible plans, and enhanced digital experiences, will also play a crucial role in attracting and retaining customers. By addressing challenges like hidden charges and complex terms, providers can build trust and foster long-term customer loyalty.

The global home warranty service market is on a strong growth trajectory, with a projected value of \$13.6 billion by 2030. Driven by the benefits of cost protection, rising consumer awareness, and expanding coverage in emerging markets, the market offers significant opportunities for growth. While challenges such as hidden charges pose risks, the industry's focus on transparency and innovation is expected to mitigate these concerns. With a competitive landscape marked by strategic expansions and product enhancements, key players are well-positioned to capitalize on the growing demand for home warranty services. As homeownership and commercial property investments continue to rise, the home warranty service market will remain a vital component of the real estate and maintenance ecosystem, delivering value to customers worldwide.

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