

# IoT in Construction Market: Size, Share, Competitive Landscape & Trends, Projected to Reach \$44.2B by 2031, CAGR 14.6%

*IoT In Construction Market Research: 2031*

WILMINGTON, DE, UNITED STATES, June 23, 2025 /EINPresswire.com/ -- Market Overview

The global [IoT in Construction Market](#) was valued at \$18.1 billion in 2023 and is projected to reach \$65.4 billion by 2030, growing at a compound annual growth rate (CAGR) of 13.7% from 2024 to 2032, according to a report by Allied Market

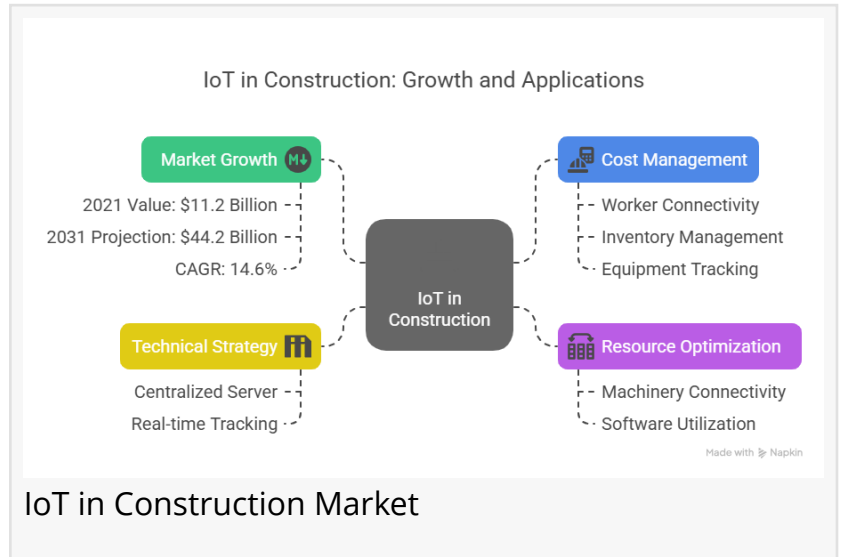
Insights. IoT in construction integrates connected hardware and software to optimize resource use, streamline operations, and control costs. By linking devices to a central server, IoT enables real-time monitoring and management of equipment, inventory, and personnel, enhancing productivity and efficiency across construction sites.

For more information, contact Allied Market Research at <https://www.alliedmarketresearch.com/request-sample/A07565>

IoT technologies, including sensors, drones, CCTV cameras, and radio-frequency identification (RFID) tags, collect real-time data on site activities, enabling data-driven decisions. These solutions improve workflow efficiency, reduce downtime, and support proactive maintenance, material ordering, and equipment monitoring. The construction industry, known for its resource intensity, benefits from IoT by minimizing waste and delays, making IoT a pivotal tool for modern construction.

## Market Drivers

The adoption of IoT in construction is fueled by the need for operational efficiency and cost savings. Sensors and RFID tags on materials and equipment enable precise tracking, reducing



delays in material procurement and ensuring timely maintenance. Drones and CCTV cameras provide real-time insights into site progress, enhancing safety and coordination. Efficient time management, enabled by IoT, minimizes downtime for workers and machinery, saving significant costs.

Building Information Modeling (BIM), integrated with IoT, has proven highly effective. Research from McGraw Hill Construction indicates that 97% of Japanese contractors using BIM reported positive returns on investment (ROI). BIM, combined with IoT, reduces errors by 41%, improves project estimation accuracy by 21%, enhances waste management by 23%, and decreases rework by 31%. These benefits drive IoT adoption, boosting market growth.

Key players are also launching innovative products to strengthen their portfolios. For example, in October 2021, Hilti Corporation introduced Jaibot, a semi-autonomous mobile ceiling-drilling robot designed to improve productivity, enhance safety, and address labor shortages. Such advancements digitize construction sites, further propelling market expansion.

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## Regional Insights

In 2023, Asia-Pacific held the largest share of the global IoT in construction market, driven by rapid urbanization, infrastructure development, and government investments in smart cities. Countries like China, India, and Japan are leading adopters of IoT technologies to support large-scale construction projects. The region's economic growth and focus on sustainable construction practices make it a key market driver.

North America and Europe also contribute significantly, with advanced technological infrastructure and stringent regulations promoting IoT adoption. However, Asia-Pacific is expected to maintain its dominance and register the highest growth rate through 2032, fueled by increasing demand for efficient construction solutions.

## Impact of COVID-19

The COVID-19 pandemic disrupted the IoT in construction market, halting logistics and manufacturing activities globally. Supply chain interruptions and labor shortages hindered project timelines, impacting IoT deployment. However, as governments relaxed restrictions and businesses resumed operations, the market began to recover. The pandemic highlighted the need for digital solutions like IoT to enhance resilience, driving renewed investments in connected technologies.

## Competitive Landscape

The IoT in construction market is competitive, with companies pursuing acquisitions and product

launches to expand their reach. In September 2022, Hexagon AB acquired iConstruct Pty Ltd, a developer of BIM software for commercial, infrastructure, and industrial construction. iConstruct Pro integrates design and construction data into a single 3D model, enhancing automation and accessibility. Such strategic moves strengthen market positions and improve service offerings.

Other players are focusing on innovation to address industry challenges. IoT solutions like predictive maintenance tools and smart sensors are gaining traction, enabling companies to differentiate themselves in a crowded market.

## Market Segmentation

The IoT in construction market is segmented by application, component, end-user, and region. In 2023, predictive maintenance led the application segment, driven by its ability to reduce equipment downtime and extend asset lifespans. The services component is expected to grow at the highest CAGR, as companies increasingly rely on third-party providers for IoT implementation and maintenance.

By end-user, the non-residential segment, including commercial and industrial projects, generated the highest revenue in 2023, reflecting the scale and complexity of these developments. Asia-Pacific dominated regionally, with significant contributions from infrastructure and urban projects.

## Key Trends and Opportunities

IoT is transforming construction through automation and data-driven decision-making. Smart sensors and IoT-enabled devices provide real-time insights, improving safety, productivity, and resource allocation. The integration of IoT with BIM enables precise planning, reducing waste and enhancing sustainability. For instance, IoT-based software optimizes resource use during the planning and design stages, minimizing construction and demolition (C&D) waste, a major environmental concern.

The construction industry is a significant contributor to global carbon emissions due to cement and material use. IoT technologies help address this by enabling efficient resource planning, reducing waste generation by up to 23%, and supporting sustainable practices. The rise of smart cities and green building initiatives presents further opportunities for IoT adoption.

## Challenges

Despite its potential, IoT in construction faces challenges, primarily related to cybersecurity. Connected devices are vulnerable to cyberattacks, which can compromise data integrity and confidentiality. Such breaches can lead to reputational damage, legal penalties, and financial losses, posing a significant barrier to IoT implementation. Addressing these security concerns requires robust encryption, regular updates, and employee training.

High initial costs for IoT deployment, including hardware, software, and integration, can also deter adoption, particularly for small and medium-sized enterprises. Additionally, the complexity of managing IoT networks demands skilled personnel, adding to operational costs.

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## Forecast Analysis (2024–2032)

The IoT in construction market is set for robust growth through 2032, driven by increasing demand for efficient, sustainable construction solutions. The report provides a detailed forecast, analyzing key segments and trends. Asia-Pacific will lead in growth rate, supported by infrastructure investments and smart city projects. Predictive maintenance will remain a dominant application, while services will see rapid growth due to outsourcing trends.

Technological advancements, such as AI-integrated IoT and 5G connectivity, will enhance real-time data processing and decision-making. Companies that prioritize cybersecurity and innovation will gain a competitive edge. The focus on sustainability and waste reduction will further drive IoT adoption, aligning with global environmental goals.

The global IoT in construction market is poised to reach \$65.4 billion by 2032, driven by the need for efficiency, sustainability, and digital transformation. IoT technologies like sensors, BIM, and autonomous robots are revolutionizing construction, reducing errors, waste, and costs. While challenges like cybersecurity and high costs persist, strategic investments in innovation and security will unlock significant opportunities. Asia-Pacific will remain a key growth driver, supported by urbanization and infrastructure development, making IoT a cornerstone of the future construction industry.

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