

Electric Water Heater Market to Hit \$40.1 Billion by 2030, Driven by Urbanization & Smart Home Demand

□ *Electric Water Heater Market Growth Accelerates with Rising Residential & Industrial Applications*

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Electric Water Heater Industry Overview

According to a new report published by Allied Market Research, the global [electric water heater market](#) size was valued at \$23.2 billion in 2020 and is projected to reach \$40.1 billion by 2030, growing at a CAGR of 5.6% from 2021 to 2030.



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The global electric water heater market is projected to reach \$40.1B by 2030, fueled by urbanization, energy efficiency, and smart homes.”

Allied Market Research

Electric water heaters, powered by advanced heating elements, are widely adopted due to their energy efficiency, cost-effectiveness, eco-friendly features, and smart automation. With hot water playing a vital role in cooking, cleaning, and bathing, the demand for reliable and efficient heating systems continues to surge.

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Key Findings of the Study

The tank segment accounted for 63.8% share in 2020, dominating the global market.

The less than 100 liters capacity segment represented 58.4% of market share and is anticipated to grow at a CAGR of 6.2%.

The industrial end-user segment is projected to be the fastest-growing category at 6.3% CAGR.

Asia-Pacific remained the leading region, while Europe is expected to record the fastest growth rate.

Market Drivers

Rapid urbanization and real estate development are the primary forces driving market expansion. The construction of residential complexes, commercial buildings, and smart cities has increased the installation of water heating solutions worldwide.

In addition, industries such as food processing, manufacturing, and agriculture are contributing to the rising demand for electric water heaters. Their operational efficiency, safety features, and ease of integration into modern infrastructure make them a preferred choice across multiple applications.

However, growing awareness of [solar-powered water heaters](#) poses a challenge to market expansion. Still, continued R&D aimed at boosting efficiency, lowering electricity costs, and enhancing safety is expected to unlock new opportunities for manufacturers.

Regional Analysis

The Asia-Pacific region led the global electric water heater market in 2020, holding over 32.6% of revenue share, and is expected to maintain dominance during the forecast period. Factors such as increasing electrification rates, urbanization, and rising disposable incomes in emerging economies like India and China are key growth contributors.

Europe is projected to be the fastest-growing market, fueled by energy efficiency regulations, consumer awareness, and rapid adoption of smart appliances.

North America and LAMEA also present significant opportunities, supported by modernization of infrastructure and expansion of commercial facilities.

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Segmentation Insights

□ By Product Type

Tankless segment registered the highest growth rate of 5.9% in 2020 and is projected to maintain dominance.

The demand for instant heating solutions in both residential and commercial applications is driving tankless adoption.

Benefits include uninterrupted hot water supply, high efficiency, and lower operating costs.

□ By Capacity

Less than 100 liters segment held the largest revenue share in 2020.

Strong demand from apartments, restaurants, commercial complexes, and government institutions has fueled growth.

Expansion of the smart city infrastructure is further boosting adoption of compact capacity heaters.

□ By End User

The residential segment dominated the market in 2020, with strong demand from households for cooking, bathing, and cleaning.

Rising urbanization and disposable incomes are expected to fuel residential adoption throughout the forecast period.

Meanwhile, the industrial segment is set to be the fastest-growing category, projected at a CAGR of 6.3%.

Competitive Landscape

The electric water heater market is competitive and includes global and regional players investing in innovation, capacity expansion, and partnerships.

Key Players Profiled:

Ariston Thermo S.P.A.

A.O. Smith

Bosch Thermotechnology

General Electric

Bradford White Corporation

Rheem Manufacturing Co.

Havells India Ltd.

Haier Electronics Group Co., Ltd.

Bajaj Electricals

Racold

Other Notable Players: Whirlpool Corporation, Rinnai Corporation, Ferroli S.p.A., Vaillant Group, Viessmann Group, Westinghouse Electric Corporation, Stiebel Eltron Inc., Zenith Water Heater, among others.

These companies focus on technological advancements, energy-efficient solutions, and customer-centric designs to expand their market footprint.

COVID-19 Impact

The outbreak of COVID-19 disrupted global manufacturing and supply chains, leading to a temporary dip in [electric water heater demand](#) in 2020. Lockdowns and workforce shortages created a supply-demand gap and slowed construction activities, particularly in Europe and Asia-Pacific.

However, as restrictions eased, the market rebounded strongly. The pandemic accelerated consumer focus on home improvement, energy-efficient appliances, and automation, indirectly benefiting electric water heater adoption.

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Conclusion

The electric water heater market is set for substantial growth as urbanization, smart city development, and consumer demand for eco-friendly, cost-efficient appliances drive adoption. While competition from solar alternatives exists, innovations in efficiency and safety standards are expected to fuel long-term market expansion.

By 2030, the industry will play a pivotal role in shaping the future of residential comfort, industrial operations, and sustainable energy usage across global markets.

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David Correa

Allied Market Research

+ +1 800-792-5285

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