

Smart Cities Market In 2029

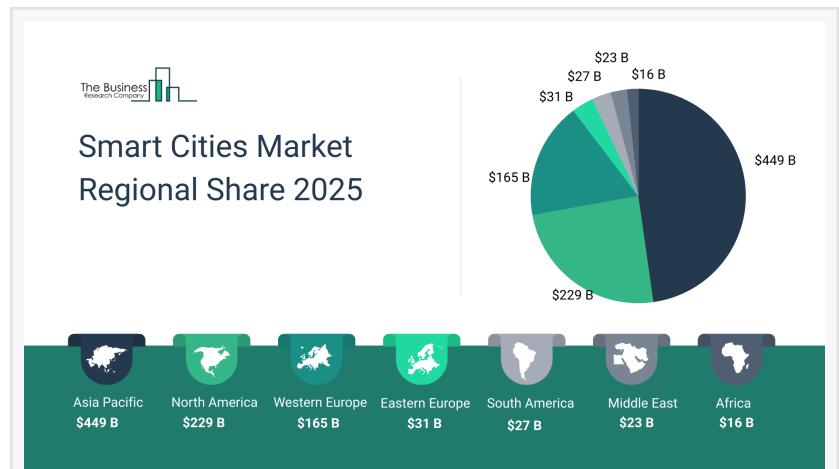
The Business Research Company's Smart Cities Global Market Report 2026 – Market Size, Trends, And Forecast 2026-2035

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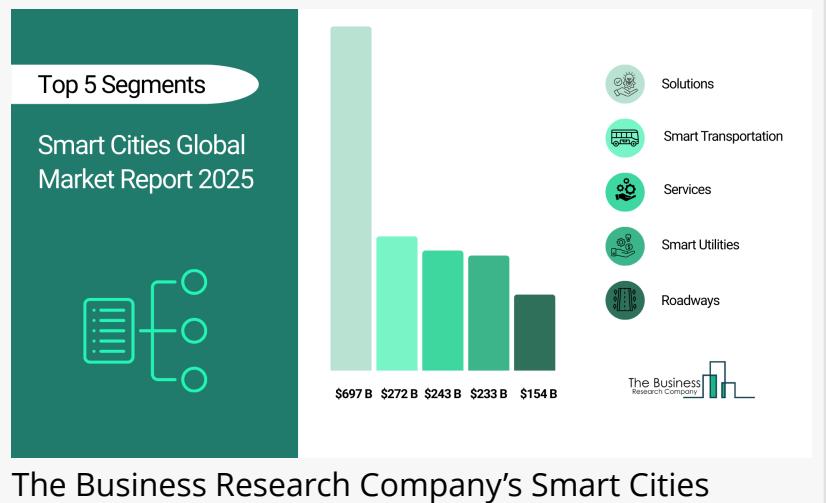
/EINPresswire.com/ -- [Smart Cities Market](#) to Surpass \$1,881 billion in 2029. In comparison, the Smart Technology market, which is considered as its parent market, is expected to be approximately \$3,105 billion by 2029, with Smart Cities to represent around 60% of the parent market. Within the broader Information Technology industry, which is expected to be \$12,711 billion by 2029, the Smart Cities market is estimated to account for nearly 15% of the total market value.

Which Will Be the Biggest Region in the Smart Cities Market in 2029

Asia-Pacific will be the largest region in the smart cities market in 2029, valued at \$1,006,415 million. The market is expected to grow from \$366,882 million in 2024 at a compound annual growth rate (CAGR) of 22%. The exponential growth can be attributed to the increasing demand for smart homes and rising demand for energy efficiency and smart grids.



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Which Will Be The Largest Country In The Global Smart Cities Market In 2029?

China will be the largest country in the Smart Cities market in 2029, valued at \$464,510 million. The market is expected to grow from \$171,649 million in 2024 at a compound annual growth rate (CAGR) of 22%. The rapid growth can be attributed to the increasing demand for smart

homes and government initiatives.

Request a free sample of the Smart

Cities Market report:

https://www.thebusinessresearchcompany.com/sample_request?id=6060&type=smp

What will be Largest Segment in the Smart Cities Market in 2029?

The smart cities market is segmented by component into solutions and

services. The solution market will be the largest segment of the smart cities

market segmented by component, accounting for 70% or \$1,311,250 million of the total in 2029.

The solution market will be supported by rising demand for integrated digital platforms enabling efficient urban management, increasing adoption of IoT, AI and cloud-based technologies for real-time decision-making, growing emphasis on reducing energy consumption through intelligent systems, rapid advancements in data analytics and predictive maintenance tools, expanding investments in urban digital twins for better planning and government-led initiatives promoting smart infrastructure deployment.

The smart cities market is segmented by application into smart governance, smart building, smart utilities, smart transportation, smart healthcare and other applications. The smart transportation market will be the largest segment of the smart cities market segmented by application, accounting for 32% or \$595,486 million of the total in 2029. The smart transportation market will be supported by rising adoption of connected mobility platforms and ride-sharing solutions, increasing investments in EV charging infrastructure, expansion of intelligent traffic management systems for congestion reduction, growing deployment of autonomous and semi-autonomous vehicles, rising demand for integrated multimodal transport apps and adoption of AI-driven route optimization and logistics management.

What is the expected CAGR for the Smart Cities Market leading up to 2029?

The expected CAGR for the smart cities market leading up to 2029 is 19%.

What Will Be The Growth Driving Factors In The Global Smart Cities Market In The Forecast Period?

The rapid growth of the global smart cities market leading up to 2029 will be driven by the following key factors that are expected to reshape urban infrastructure, public service delivery, and technology-enabled city management worldwide.

Increasing Demand For Smart Home - The increasing demand for smart home will become a key driver of growth in the smart cities market by 2029. Smart homes feature connected devices,



including smart thermostats, lighting, security systems and appliances, which leverage IoT and real-time data. As adoption of these technologies increases, cities require supporting infrastructure such as high-speed internet, IoT networks and advanced data management systems, to maintain seamless connectivity and operational efficiency. This expansion of interconnected devices and data-driven services drives investment in comprehensive smart city initiatives, including intelligent traffic management, energy-efficient grids and enhanced public safety solutions. As a result, the increasing demand for smart home is anticipated to contributing to a 1.8% annual growth in the market.

Rising Demand For Energy Efficiency And Smart Grid - The rising demand for energy efficiency and smart grid will emerge as a major factor driving the expansion of the smart cities market by 2029. Smart grids enable real-time monitoring, automated energy distribution and integration of renewable sources, improving overall efficiency. This encourages cities to adopt connected infrastructure, such as smart meters, sensors and energy management systems. As a result, both public and private sectors invest in technologies that support sustainable, efficient urban living. Consequently, the rising demand for energy efficiency and smart grid capabilities is projected to contributing to a 1.5% annual growth in the market.

Rising Demand for Sustainable and Green Buildings - the rising demand for sustainable and green buildings within digital manufacturing processes will serve as a key growth catalyst for the smart cities market by 2029. The rising demand for green buildings boosts smart cities by driving adoption of energy-efficient systems, IoT sensors and smart infrastructure. This encourages cities to invest in connected grids, automated resource management and intelligent services. Therefore, this rising demand for sustainable and green buildings across digital manufacturing operations is projected to supporting to a 1.1% annual growth in the market.

Growing Environmental Regulations - The growing environmental regulations will become a significant driver contributing to the growth of the smart cities market by 2029. Growing environmental regulations push cities to adopt sustainable and energy-efficient solutions, creating a demand for smart city technologies. These regulations encourage the use of smart grids, efficient waste management systems and air quality monitoring to comply with emission and sustainability standards. As a result, local governments and urban planners increasingly invest in IoT-enabled infrastructure and data-driven solutions. This adoption helps cities optimize resources, reduce carbon footprints and meet regulatory targets. Consequently, the growing environmental regulations strategies is projected to contributing to a 0.9% annual growth in the market.

Access the detailed Smart Cities Market report here:

<https://www.thebusinessresearchcompany.com/report/smart-cities-global-market-report>

What Are The Key Growth Opportunities In The Smart Cities Market in 2029?

The most significant growth opportunities are anticipated in the smart cities solutions market, and smart cities & smart transportation ecosystem market. Collectively, these segments are

projected to contribute over \$1088 billion in market value by 2029, driven by rapid urbanization, increasing deployment of intelligent infrastructure, and rising investments in digital connectivity and sustainable mobility systems. This surge reflects the accelerating adoption of IoT, AI, and data-driven platforms that enable real-time monitoring, efficient resource management, and seamless transportation flows, fuelling transformative growth within the broader smart cities landscape.

The smart cities solutions market is projected to grow by \$31,716,336 million, and the smart cities and smart transportation ecosystem market by \$371,437 million over the next five years from 2024 to 2029.

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