

Global Solar Thermal For Domestic Hot Water (DHW) Market Size Forecast To Cross \$5.98 Billion By 2030

The Business Research Company's Solar Thermal For Domestic Hot Water (DHW) Market Report 2026 – Market Size, Trends, And Global Forecast 2026-2035

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/EINPresswire.com/ -- "The solar

thermal market for domestic hot water

(DHW) has witnessed significant growth recently, driven by technological advancements and increasing environmental awareness. As more homeowners and businesses seek sustainable and cost-effective heating solutions, this sector is poised for continued expansion. Let's explore the market's current size, key growth drivers, major trends, and regional dynamics influencing its future trajectory.

The logo for The Business Research Company, featuring a stylized bar chart with four bars of increasing height, colored in teal and dark blue. The text "The Business Research Company" is written in a serif font to the left of the chart.

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Current Scale and Projected Growth of the [Solar Thermal for Domestic Hot Water Market](#)

The market for solar thermal systems dedicated to domestic hot water is expanding rapidly. From a valuation of \$4 billion in 2025, it is expected to rise to \$4.33 billion in 2026, achieving a compound annual growth rate (CAGR) of 8.2%. This past growth has been fueled by factors such as reductions in the cost of solar collectors, increased reliance on fossil fuels, government incentives promoting solar water heating, a surge in urban residential construction, and heightened consumer awareness about renewable hot water options.

Looking ahead, this market is predicted to reach \$5.98 billion by 2030, growing at an even stronger CAGR of 8.4%. Expansion will be supported by the widespread adoption of electrified heating systems in homes, advances in thermal storage efficiency, hybrid solar heating solutions in new buildings, stricter energy efficiency regulations for residential properties, and innovations in evacuated tube collector technologies. Notable trends include combining solar thermal setups with auxiliary heating, the rising use of thermosiphon passive water heaters in homes, increasing rooftop retrofits in existing houses, improvements in high-efficiency vacuum tube collectors, and a demand surge for modular, plug-and-play solar hot water kits that allow quick installation.

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Understanding the Solar Thermal for Domestic Hot Water System

Solar thermal systems for domestic hot water operate by capturing sunlight through collectors and storing the thermal energy to heat water for daily household use. These systems efficiently convert solar energy into heat, supplying hot water needed for bathing, cooking, and cleaning. Their adoption helps reduce reliance on conventional energy sources, cut energy bills, and lower carbon emissions, promoting a greener lifestyle.

How Rising Green Building Certifications Encourage [Solar Thermal Market Growth](#)

The growing emphasis on green building certifications is playing a crucial role in propelling the solar thermal for domestic hot water market. These certifications recognize buildings that meet rigorous standards for sustainability, energy efficiency, and environmental impact reduction. As demand for eco-friendly and energy-efficient buildings rises, developers are motivated to incorporate renewable energy systems such as solar thermal heating. This technology supports green certifications by minimizing energy consumption and lowering carbon footprints. For example, in July 2024, the Green Building Council, a US nonprofit, reported that over 46,000 residential projects achieved LEED certification, marking a nearly 5% increase in new registrations compared to 2023. This growing momentum directly benefits the solar thermal domestic hot water market.

View the full solar thermal for domestic hot water (dhw) market report:

https://www.thebusinessresearchcompany.com/report/solar-thermal-for-domestic-hot-water-dhw-market-report?utm_source=EINPresswire&utm_medium=Paid&utm_campaign=Jun_PR

Increasing Energy Prices as a Catalyst for Market Expansion

Rising energy costs are another important factor driving the solar thermal for domestic hot water market forward. Energy expenses, including electricity and fuel, have escalated due to higher global demand putting strain on limited supply chains, pushing prices upward. Solar thermal systems help consumers reduce these costs by using free sunlight to heat water, decreasing the need for purchased energy. For instance, Eurostat highlighted that average household electricity prices in the European Union reached \$31.21 (€28.9) per 100 kWh in the first half of 2023, up from \$27.32 (€25.3) during the same period in 2022. This upward pressure on energy prices motivates more households to switch to solar thermal solutions.

Impact of Rising Disposable Income on Market Adoption

The increase in disposable income is also helping to boost the solar thermal for domestic hot water market. Disposable income refers to the money available to individuals and households after taxes and compulsory deductions, which can be spent or saved freely. As wages rise, people have more financial flexibility, making it easier to afford the upfront costs associated with installing solar water heating systems. For example, Statistics Iceland reported a 6.6% growth in household disposable income in the second quarter of 2024 compared to the previous year. This

greater affordability is encouraging wider adoption of solar thermal technologies.

Regional Market Patterns Highlight Asia-Pacific as a Leader

In terms of regional dynamics, Asia-Pacific emerged as the largest segment in the solar thermal for domestic hot water market in 2025 and is expected to maintain the fastest growth pace during the forecast period. The market report covers multiple regions including Asia-Pacific, South East Asia, Western Europe, Eastern Europe, North America, South America, and the Middle East and Africa, providing a comprehensive global perspective on the market's evolution.

Our latest 2026 market reports provide expanded strategic and visual intelligence with market attractiveness scoring and analysis, total addressable market (TAM) analysis, company scoring matrix graphics and tables, Excel-based forecasting dashboards, market hotspots infographics, key technologies and future trend analysis, together with updated graphics and tables.

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