

Smart Building Market Industry Forecast: From USD 149.20 Billion in 2025 to USD 643.10 Billion by 2035

Smart Buildings Market Size, Share and Research Report By Component (Solutions, Services), By Connectivity Technology (Wired, Wireless), By Building Lifecycle

NEW YORK, TX, UNITED STATES, July 22, 2026 /EINPresswire.com/ -- The Global [smart building market](#) reached an estimated USD 149.20 billion in 2025 and is projected to grow from USD 174.40 billion in 2026 to USD 643.10 billion by 2035, registering a CAGR of 15.60% during the forecast period. Two

major catalysts are accelerating this trajectory: the global push toward net-zero carbon emissions across commercial real estate portfolios, which is compelling property owners and facility managers to deploy intelligent energy management systems, and the widespread adoption of [IoT sensor](#) networks and AI-driven building automation platforms that unlock real-time operational intelligence. With over USD 2.4 trillion in global building infrastructure spending anticipated through 2035, organizations face mounting pressure to retrofit aging facilities and design new ones with embedded digital intelligence or risk obsolescence in an increasingly sustainability-conscious market.

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Smart Building Market: Positioned at the intersection of IoT and sustainability, this market optimizes energy efficiency, occupant comfort, and facility management through intelligent automation.”

Market Research Future (MRFR)

Legacy building management systems (BMS) many architected on siloed, proprietary protocols incompatible with modern IoT ecosystems are rapidly giving way to open, cloud-native smart building platforms that integrate HVAC optimization, [predictive maintenance](#), occupancy analytics, access control, and energy monitoring into unified digital twins. A recent JLL Future of Work survey



estimated that top-quartile enterprise occupiers deploying AI-powered smart building platforms achieved 22–30% reductions in energy consumption alongside measurable improvements in occupant satisfaction and productivity. This technology shift is not incremental it represents a structural re-architecture of how the built environment operates and delivers value to its stakeholders.

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□ How Significant Is the Smart Building Market's Growth?

The smart building market has demonstrated exceptional and accelerating expansion, rising from approximately USD 72.6 billion in 2021 to an estimated USD 149.20 billion in 2025, representing a compelling historical growth trajectory. The market is expected to more than triple over the next decade, driven by converging pressures from corporate ESG mandates, municipal building energy codes, the post-pandemic reimagining of workplaces, and the falling cost curves of IoT sensors, edge computing hardware, and cloud connectivity.

Rising energy costs, increasingly stringent regulatory requirements around building carbon performance, and growing occupant expectations for digitally enhanced environments have created acute demand for integrated smart building solutions. Commercial real estate developers, healthcare systems, educational institutions, industrial facility operators, and government agencies are all investing heavily in smart building technologies to reduce operating expenses, meet sustainability commitments, and create more responsive, resilient built environments.

□ What Does the Future Hold for the Smart Building Market?

Artificial intelligence and the digital twin stand at the forefront of the market's next growth phase. AI-driven building platforms are transforming facilities management from a reactive, labor-intensive discipline into a proactive, data-intelligent operation. Predictive maintenance algorithms now analyze sensor data streams from HVAC chillers, electrical distribution panels, and elevator systems to identify impending failures weeks before they occur enabling planned interventions that eliminate costly emergency repairs and unplanned downtime.

The growing emphasis on occupant-centric building experiences is another defining force shaping the market's future. Tenants and employees increasingly expect personalized thermal comfort, dynamic lighting control, frictionless access, and real-time visibility into space availability all delivered through intuitive mobile applications. Platforms enabling demand-responsive space management, wayfinding, and desk-booking are displacing traditional static floor plan allocations and fundamentally changing how occupants interact with their physical environment.

Decarbonization imperatives are also redefining investment priorities. Building owners pursuing LEED, BREEAM, WELL, and ENERGY STAR certifications are deploying advanced energy management systems, on-site renewable generation monitoring, and demand flexibility platforms that enable grid-interactive buildings. The convergence of smart building infrastructure with EV charging networks, battery energy storage systems, and utility demand-response programs is creating a new category of 'grid-responsive' buildings that generate measurable revenue alongside cost savings.

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□ Who Are the Key Players in the Smart Building Market?

The smart building landscape is characterized by a mix of global industrial conglomerates, specialist building technology vendors, cloud platform providers, and emerging IoT-native startups. Key participants shaping the competitive dynamics include:

- Siemens AG
- Honeywell International
- Johnson Controls International
- Schneider Electric
- IBM Corporation
- ABB Ltd
- Cisco Systems
- Microsoft Corporation
- Bosch Building Technologies
- Legrand

Competition in the market is intensifying as vendors race to embed generative AI capabilities into building analytics platforms, expand cybersecurity toolkits in response to growing OT/IT convergence risks, and deepen integrations with enterprise ERP, HR, and workplace management systems. Strategic partnerships with real estate investment trusts (REITs), property management firms, and sustainability consulting organizations are also reshaping the vendor landscape.

□ What Are the Emerging Trends in the Smart Building Market?

Several transformational trends are redefining how the smart building market evolves through 2035:

AI & Digital Twin Integration: Building digital twins that continuously synchronize physical assets with their virtual counterparts are enabling operators to simulate operational scenarios, optimize energy dispatch, and test retrofit strategies without disrupting live building operations.

IoT Sensor Network Proliferation: The falling cost of wireless sensors for temperature, CO2, occupancy, light, and vibration monitoring is enabling granular, room-level intelligence across commercial portfolios powering demand-controlled ventilation, automated lighting, and predictive maintenance workflows at scale.

Cybersecurity for Operational Technology: As building systems migrate from closed proprietary networks to IP-connected architectures, OT cybersecurity has emerged as a critical investment priority. Zero-trust network architectures and secure-by-design device onboarding frameworks are becoming mandatory procurement criteria for enterprise buyers.

Net-Zero and Grid-Interactive Buildings: Smart buildings are increasingly being designed and retrofitted as active participants in the energy grid using AI-driven demand flexibility, on-site solar and storage orchestration, and utility demand-response API integrations to minimize carbon footprint and unlock new revenue streams.

Healthy Building Certifications: Post-pandemic awareness of indoor air quality, thermal comfort, and biophilic design has driven rapid adoption of WELL Building Standard, Fitwel, and RESET Air certification frameworks creating sustained demand for indoor environmental quality (IEQ) monitoring and reporting platforms.

Workplace Experience Applications: Mobile-first workplace apps enabling hot-desking, room booking, wayfinding, visitor management, and personalized environmental preferences are becoming a standard layer of the smart building technology stack in corporate real estate environments.

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□ How Is the Smart Building Market Segmented?

The smart building market report provides a comprehensive segmentation framework:

1 By Component: Hardware (Sensors, Controllers, Actuators), Software (BMS/BAS Platforms,

Analytics, Digital Twin), Services (Integration, Consulting, Managed Services)

2 By Building Type: Commercial Offices, Retail & Hospitality, Healthcare Facilities, Educational Institutions, Industrial & Warehousing, Residential

3 By Technology: Building Automation & Control Systems (BACS), Energy Management Systems (EMS), Security & Access Control, Intelligent Lighting, Predictive Maintenance, Occupancy Analytics

4 By Connectivity: Wired (BACnet, KNX, Modbus), Wireless (Wi-Fi, Zigbee, LoRaWAN, 5G), Hybrid

5 By Organization Size: SMEs, Large Enterprises, Government & Public Sector

□ What Are the Regional Insights from the Smart Building Market?

North America commands approximately 36% of global smart building market share, underpinned by the region's mature commercial real estate ecosystem, aggressive corporate sustainability commitments, and stringent municipal building energy codes across major metropolitan markets including New York City (Local Law 97), California (Title 24), and Chicago. The region's advanced cloud infrastructure, enterprise software adoption, and concentration of Fortune 500 headquarters further reinforce its leading position.

Europe holds the second-largest share at approximately 29%, with Germany, the United Kingdom, France, and the Netherlands representing the primary markets. The European Green Deal and EU Energy Performance of Buildings Directive (EPBD) which mandates near-zero energy standards for new and renovated buildings are compelling property owners and developers across the continent to invest heavily in smart building technologies as a pathway to regulatory compliance and asset value preservation.

Asia-Pacific represents a rapidly growing region, driven by ambitious smart city initiatives across China, Singapore, South Korea, and Japan, alongside massive new commercial construction activity in India and Southeast Asia. Government-mandated green building certification requirements and the integration of 5G connectivity into building infrastructure are defining characteristics of APAC market growth.

Middle East & Africa is projected to register the highest CAGR at approximately 13.1% through 2035. Landmark smart city developments including NEOM in Saudi Arabia and Masdar City in the UAE alongside rapid commercial real estate expansion across Gulf Cooperation Council (GCC) economies, are creating substantial demand for state-of-the-art smart building infrastructure and integrated facilities management platforms.

South America rounds out the global picture, with Brazil, Mexico, Colombia, and Chile representing the most active markets for smart building technology adoption, particularly within the financial services, healthcare, and retail real estate sectors.

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