



**DEEPDIVE**  
**LIGHTING CONTROL  
& FIXTURES**  
**SPECIAL REPORT:**  
EXCLUSIVE RESEARCH

**CEPro**



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## LIGHTING MARKET SHINES BRIGHTLY IN 2020 & BEYOND

**CE Pro's Lighting Deep Dive Study reveals average project sizes, costs, profits and number of devices for lighting controls, fixtures and motorized shade projects, with double-digit growth predicted for 2021. by Jason Knott**

A lot has changed in the lighting market since *CE Pro* conducted its first Lighting Deep Dive Study back in 2018. The focus of the study two years ago was primarily on control of artificial light. Today, the lighting market for integrators has evolved to include control of both artificial and natural light via motorized shades, as well as the installation of low-voltage LED fixtures.

That broadened market has made lighting one of the fastest growth categories in the market, according to the most recent *CE Pro* State of the Industry Study.

This year, the typical custom integration company expects exactly half (50%)

*In 2020, 50% of all integrators' projects — like this one from Admit One Home Systems in Edina, Minn. — include lighting control, or the installation of motorized shades or LED fixtures.*

of all their projects to include some form of lighting control, whether that is controls, fixtures or motorized shades, according to the 2020 CE Pro Lighting Deep Dive Study. More specifically, dealers will perform a median 18 lighting control/fixture installations and 11 motorized shade control installations this year.

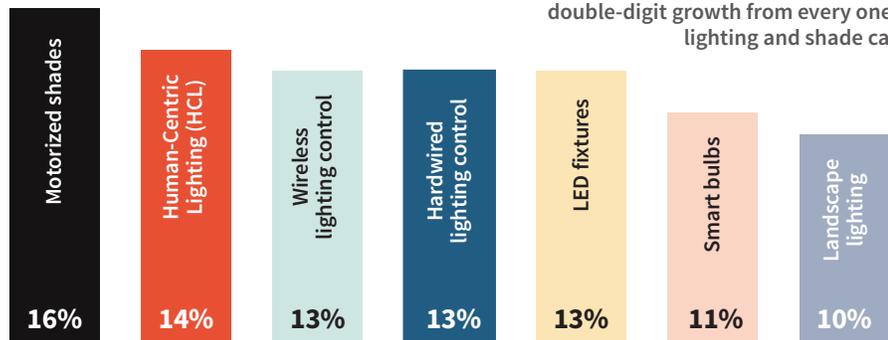
That data would indicate dealers are on track to do a median number of 58 new installations per company in 2020, up from 50 in 2019. Just 2% of integration companies do not do lighting control installations, and only 7% of dealers report they do not perform motorized shade installations.

### Years Installing Types of Lighting Equipment



LED lighting has been part of dealers' businesses for seven years on average, but only in the past few has it taken off. Wellness lighting controls are relatively new to the market compared with the other options.

### Expected 2021 Lighting Growth Rates by Category



Integrators always tend to be a very optimistic bunch and these predicted growth rates for next year bolster that outlook. Dealers are expecting double-digit growth from every one of these lighting and shade categories.

### LIGHTING CONTROL & FIXTURES FAST FACTS

**18** — Median number of projects installed in 2020 that include lighting controls

**\$253** — Median price per fixture fully installed

**50%** — Percentage of total projects in 2020 that include lighting controls, lighting fixtures and/or motorized shades

**98%** — Percentage of integrators that installed at least one project with lighting control in 2020

**13 years** — Average number of years integrators have been installing hardwired lighting controls

**3 years** — Average number of years integrators have been installing human-centric lighting controls.

**9 years** — Average number of years integrators have been installing wireless lighting controls

**7 years** — Average number of years installing LED lighting.

## The Importance of Outdoor Lighting Design



In the modern home, proper lighting design is critical. For large estate homes, professional lighting designers understand how the purpose, intensity and effect of light plays a dramatic role in the feel of a home. As outdoor environment specialists, we feel outdoor lighting design is just as essential. Thoughtful design makes a monumental difference, both when selling

and installing the job.

Light brings beauty, safety and security to an outdoor environment. Creative lighting designers use layering effects to achieve balance and dimensionality in night-time scenes. Outdoor lighting can accentuate the most beautiful features of a landscape after dark.

Artfully lighting trees can reveal the beauty of their limb structure or

shoot dramatic patterns of light and shadow through a cluster of foliage. Variations in lamp intensity, proximity, color temperature, and focus bring out texture and definition of objects lit. Layers of brightness and shadow can be used to create primary and secondary focus in the scene.

The Coastal Source Design Service is one of many services available to our dealers. Provide a landscape plan and address, and we develop a Quick Estimate based on the client's needs. Once approved, a fully circuited plan can be developed with fixture, lamp and cabling specifications. A final, SKU-level quote is dropped into the dealer's web account so they can place the order for immediate shipment. This service allows our dealers to be as involved or hands-off as they want with the design process while providing professional designs to the client. —*Franco D'Ascanio, President, Coastal Source*

Dealers report they are much more familiar with lighting controls these days. The average integrator has been installing hardwired lighting controls for 13 years, according to the survey. That compares to nine years installing wireless lighting controls, eight years installing motorized shades, seven years installing LED lighting and three years working with human-centric lighting (HCL).

So what does the average lighting installation look like today? The typical lighting control system has 18 devices (touchpanels, switches, fans or dimmers) and 11 fixtures. It has a median sales price fully installed for \$13,413 and takes 16 manhours to install, or about 52 minutes per device. Meanwhile, the average motorized shade installation has six shades and sells for \$11,500 and takes 12 manhours to install, or two hours per shade.

Just over half (51%) of all lighting control installations are whole-house projects. That compares to just 29% of shading projects that are for the entire house. Indeed, 71% of shade installations are only for a specific room in the home. Half of all lighting control projects are new construction. For existing homes, 14% of projects are upgrades to a previously installed lighting control system, while 27% are new lighting controls being introduced for the first time in an existing home.

Which rooms are most likely to have lighting and shading installations? For

## Why Low-Voltage Lighting Is a Game-Changer



LOW-VOLTAGE LIGHTING is transforming the AV market. It enables integrators to expand their wallet-share of projects by adding lighting to their offerings. It's a game-changer for them because low voltage is easy to install and requires less need for an electrician's work. There are two primary areas for opportunity with low-voltage lighting: accent lighting and downlighting.

Accent lighting applications are virtually everywhere inside and outside of homes. They range from stair lighting all the way up to cove lighting. Low-voltage accent lighting provides the "wow" factor by transforming spaces in ways other lighting can't. Multiple color options are available including tunable white for biophilia applications. A good lighting manufacturer will help specify the right high-quality products and then customize them to ensure simple installation and easy integration into control systems.

Downlighting is the other exciting opportunity for low voltage as it opens up the ceiling to integrators. The sheer number of ceiling downlights in a home presents large potential revenue. Installing and wiring a low-voltage downlighting system is similar to installing ceiling speakers and can be done with little assistance from electricians. Power is provided remotely and fixtures can be added or changed on-site.

The REVI Remote-Voltage Illumination system from Environmental Lights is a great example of a high-quality downlighting solution. It was designed with integrators, for integrators. REVI features programmable, RDM-enabled power supplies and a la carte configurable fixtures. The system facilitates easy installations, remote power management and simple integration into control systems. It was created to help integrators "own the ceiling."

—Michael Krupinsky, Vice President of Marketing, Environmental Lights

## LIGHTING CONTROL & FIXTURES FAST FACTS

**18** — Median number of lighting control interfaces (switches, touchpanels and mobile devices) per installation

**11** — Median number of LED lighting fixtures installed per project

**\$13,413** — Median installation price for a project with lighting control, including fixtures (18 devices + 11 fixtures)

**\$2,788** — Median installation price for a project with LED lighting fixtures (11 fixtures)

**51%** — Percentage of lighting control installations that involve the entire house

**21%** — Percentage of lighting control installations with voice control integration

**52 minutes** — Median number of installation manhours per lighting device (interface, fixture, fan, sensor)

**16%** — Median percentage of lighting projects in which an integrator works with a lighting designer

**24%** — Percentage of integrators that have never worked with a lighting designer on a project

**54%** — Percentage of integrators that charge for lighting design

**42%** — Percentage of custom integration companies that report they have at least one employee with some level of lighting design certification

shades, the most common area is den/family room, followed by the master suite, formal living, dining room and kitchen. For lighting controls and fixtures, the most common room is the kitchen, followed by the media/great room, and then outdoors.

Voice control is another interesting area to watch. Two years ago, 13% of lighting control systems had voice control integration. In 2020, that figure is 21% — a 50% jump. Meanwhile, dealers anticipate in 2021 that 28% of their lighting installations will be voice controllable. The percentages are not as high for

**Most Frequent Rooms for Lighting Control**

1. Kitchen
2. Media room/  
Great room
3. Outdoors
4. Bedrooms
5. Hallways
6. Bathrooms

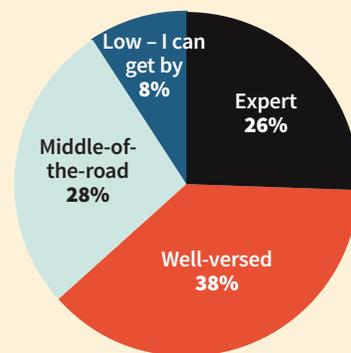
Not surprisingly, the kitchen is the No. 1 location for lighting control installations. Other rooms covered by lighting control include basements, garages and laundry rooms.

**Percentage of Projects with Types of Lighting Equipment**

Hardwired Lighting Controls	38%
Wireless Lighting Controls	38%
Motorized Shades	32%
Exterior Lighting Fixtures/ Landscape Lighting	25%
LED Canned Area Light Fixtures	24%
Decorative LED Light Fixtures	23%
LED Accent Light Fixtures	21%
Human-Centric Lighting Controls	16%

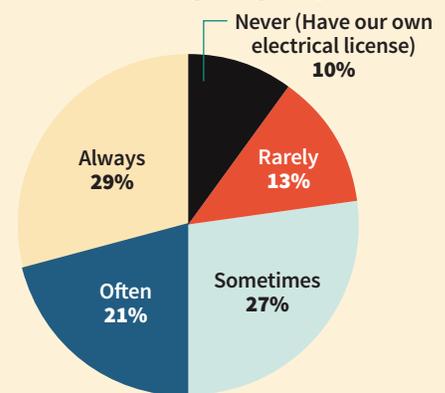
The percentage of projects that include various types of lighting controls is quite diverse, with multiple fixtures available. It is interesting to note how popular wireless lighting controls have become.

**LED Dimming Technology Knowledge Level**



There has been a slight improvement in terms of integrators' self-analysis of their knowledge of LED dimming technology since 2018. Two years ago, only 18% of dealers considered themselves "experts" in the category.

**Frequency of Partnering with Electrician on Lighting Projects**



The advent of LED lighting fixtures now enables integration companies to not partner with an electrician on lighting projects as frequently as they may have had to in the past.

**Embrace Design for Smart Home Growth to Flourish**



THE PANDEMIC has ushered a wave of changes in technology and home industries. More time spent at home is pushing families to rethink their spaces and seek professionals for improvement projects, renovations, and expansions, according to Houzz. Among new furniture, paint colors, etc., dealers must accommodate design consciousness for the technology upgrades homeowners need such as networking, comfort and entertainment experiences.

Design and technology have increasingly become intertwined, causing changes and growth in the automated shading category. Where dealers have considered the technology first, for example, assessing platforms that offer wired and wireless power options and work with any smart home system like PowerView Automation, design options were on the backburner.

While limited size, style, and fabric options suited early smart

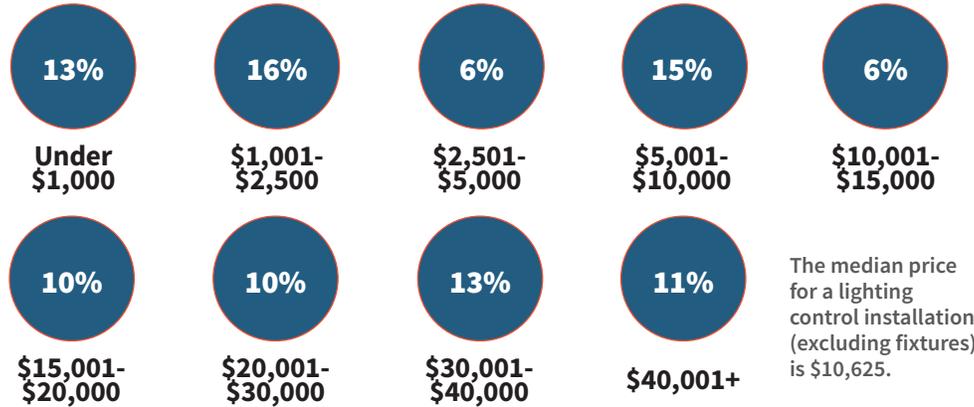
home enthusiasts, homeowners will increasingly reject "greige" boardroom shades in their home, seeking the same design options that they're offered from the design industry.

The potential of the smart shade category is enabled when integrators can deliver the customization and beauty that homeowners expect for window treatments. Dealers will need to weigh design equally with tech specs to expand their customer base with more shade styles, such as honeycomb shades, roman shades, privacy sheers, shutters and more. Other benefits such as training, Hunter Douglas Installation Services for support in measuring and shade mounting, and a catalog of beautiful shades can support category growth as well.

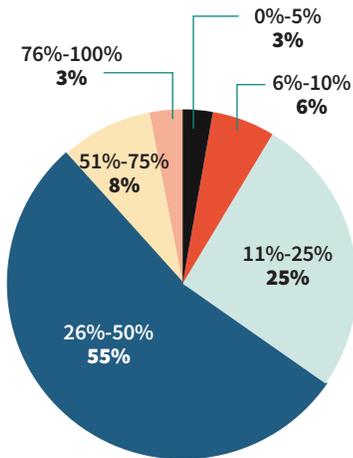
Embracing design and technology cohesion puts dealers on the path to grow and scale their business using this new category demand. —Scott Stephenson, Director of Product Management, Motorization, Hunter Douglas

motorized shades being controlled by voice, but they are also on the upswing. Dealers report 20% of their shading projects had voice control integration this year, and they anticipate it to increase to 24% of jobs next year.

**Average Price for Lighting Control Installation**

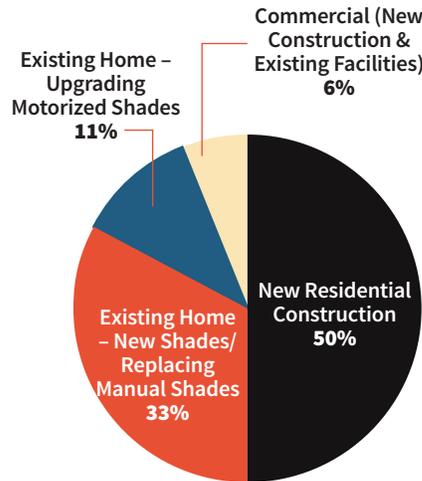


**Lighting Control Profit Margin**



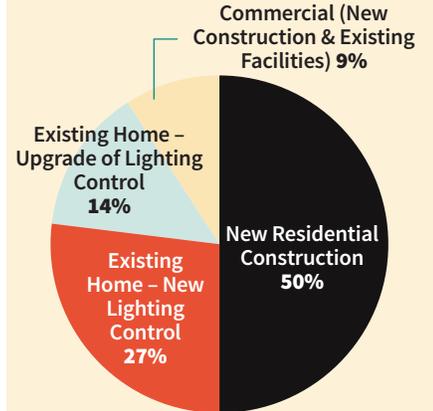
So while the lighting fixture category has exploded in the past two years, there are already signs of commoditization. Two years ago, the average profit margin for integrators in the category was 37%. In 2020, it is 33%. Meanwhile, an increasing percentage of dealers report earning slimmer margins in 2020 in the category compared with 2018.

**Shading Installations by Type of Structure**



Similar to lighting control systems, most residential locations that have motorized shades installed have not previously had them, whether in new construction or in existing homes.

**Lighting Installations by Types of Structure**



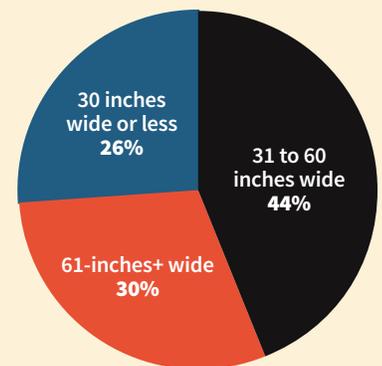
Most residential lighting control installations are for locations that have never had lighting control previously, either in new construction or existing homes.

**Average Price for LED Lighting Installation**

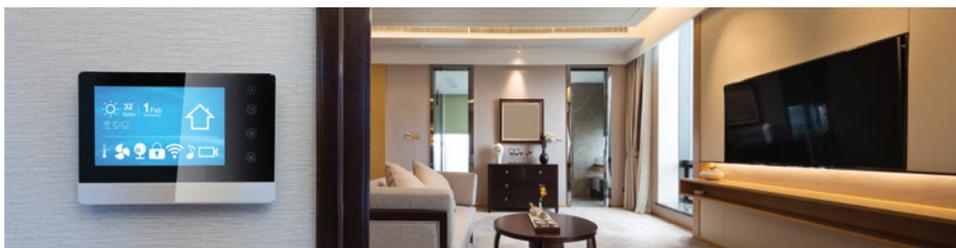
Under \$1,000	26%
\$1,001-\$2,500	18%
\$2,501-\$5,000	20%
\$5,001-\$10,000	17%
\$10,001-\$20,000	9%
\$20,001+	9%

LED lights are clearly more of a commodity than shades or control systems. The median price for an 11-fixture installation is \$2,788, or \$253 per fixture.

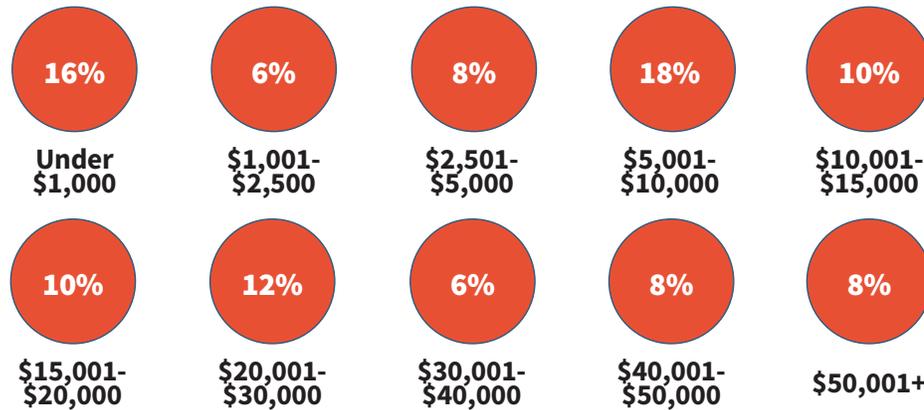
**Motorized Shade Deployment by Width of Window**



Only about one in four motorized shade installations is for a standard 30-inch-wide window.



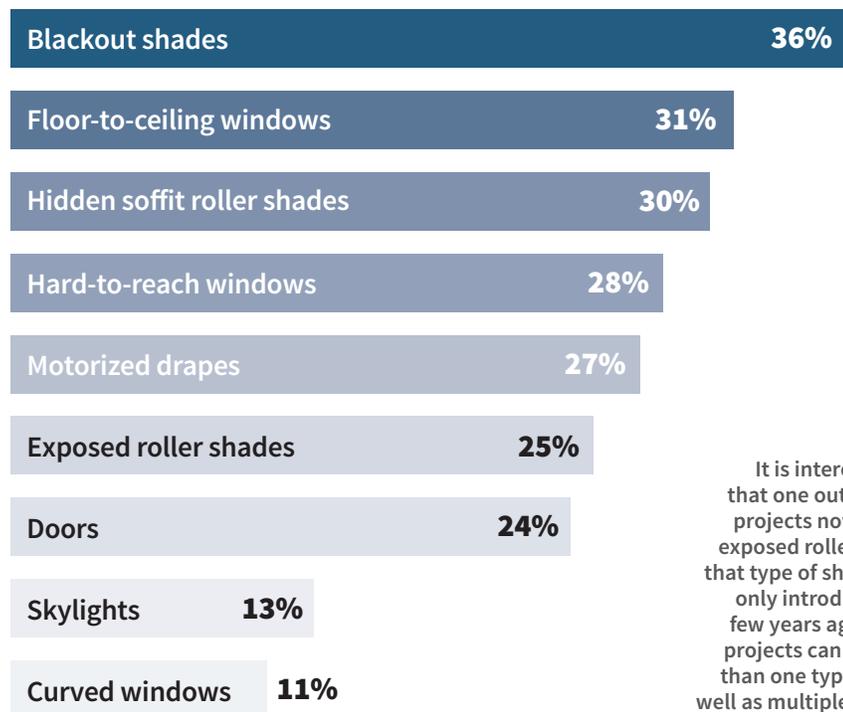
**Average Price for Motorized Shade Installation**



Motorized shade installations clearly command a higher price point than lighting control, with the median price for a motorized shade installation at \$11,500 for a six-shade system, or \$1,916 per shade.



**Types of Motorized Shades Applications**  
(Percentage of Installations that Include:)



It is interesting to note that one out of every four projects now includes an exposed roller shade since that type of shade style was only introduced widely a few years ago. Obviously, projects can include more than one type of shade, as well as multiple applications in a single project.

**MOTORIZED SHADE FAST FACTS**

- 11** — Median number of projects in 2020 that include motorized shades
- \$1,916** — Median price charged per motorized shade, including installation.
- 93%** — Percentage of integrators that installed at least one project with motorized shade controls in 2020
- 8 years** — Average number of years integrators have been installing motorized shades
- 6** — Median number of motorized shades per installation
- 17%** — Percentage of motorized shades that are battery powered
- \$11,050** — Median installation price for project with motorized shades (6 shades)
- 71%** — Percentage of shading projects that involve just a single room in the home
- 19%** — Percentage of motorized shade installations with voice control integration
- 2 hours** — Median number of installation manhours per motorized shade

**Most Frequent Rooms for Motorized Shades**

- |                       |                   |
|-----------------------|-------------------|
| 1. Den/Family room    | 6. Other bedrooms |
| 2. Master suite       | 7. Bathrooms      |
| 3. Formal living room | 8. Foyer          |
| 4. Dining room        | 9. Outdoor/Patio  |
| 5. Kitchen            | 10. Basement      |

The great room/family room has become an area where controlling natural light for watching TV is a must, plus limiting bright sunlight exposure in general if desired. Other areas where motorized shades are deployed include garages and hallways. **CE Pro**