

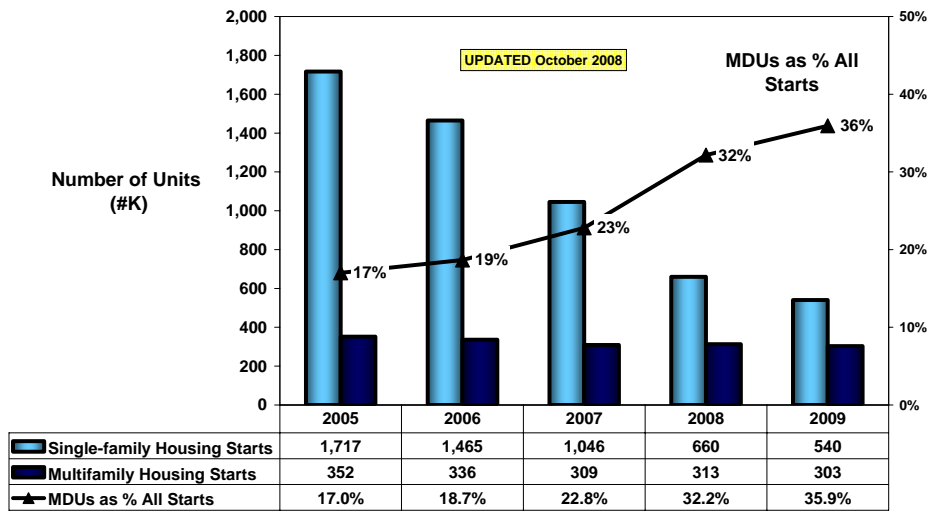
**Synopsis**

This report provides a market update and forecasts through 2012 for the U.S. home security system marketplace. It features information and analysis on key topics including consumers and their security systems; households without security systems; security dealer volume, revenue, and trends; the major providers and manufacturers; major inhibitors and catalysts to the home security market; and innovations and trends.

**Publish Date:** 1Q 09

**Housing Starts**

**Multifamily Housing Starts vs. Single-family Housing Starts: 2005 to 2009 (U.S. Only)**



© 2008 Parks Associates Sources: ← U.S. Census Bureau | ← National Assoc. Realtors (10/08)

“Approximately one-fourth of U.S. households have some form of security system, with about 19% monitored,” said Tricia Parks, president of Parks Associates. “Peak unit sales occurred with the housing boom of 2005 and 2006, with a slight downturn in 2007, a deeper decline in 2008, and more of the same anticipated for 2009. Providers can ameliorate some losses with modest increases in monitoring fees.”

**Contents**

**The Bottom Line** is a concise, executive-level summary of the current state of the market and the implications for companies doing business in this space.

**The Resource Book** contains industry background data, consumer survey data, and company profiles—a must-have reference for product/market planning.

**The Bottom Line**

**1.0 Notes on Methodology, Sources and Definitions**

- 1.1 Information Sources
- 1.2 Definitions
- 1.3 The Report Scope

**2.0 The Current State of the Home Security Market**

- 2.1 A Brief History
  - 2.1.1 The Consumer Driver for Security at Home
  - 2.1.2 2008 Security Penetration
  - 2.1.3 Inhibitors to Adoption
- 2.2 Accelerants for Security Adoption
- 2.3 Conditions Today and In the Near Future
  - 2.3.1 Security System Sales
  - 2.3.2 Monitored System Conditions

**3.0 Market Offerings**

- 3.1 Examples of Traditional Security Systems
- 3.2 Major Market Players
  - 3.2.1 Hardware and Monitoring Market Shares
  - 3.2.2 The Roles of the Leaders

- 3.2.3 Distribution
- 3.2.4 The Path from the Consumer's Dollar to the Manufacturer

**4.0 Technology**

**5.0 Consumer Demand for Electronic Security**

**6.0 Security System and Monitoring Forecasts 2008-2012**

**7.0 Implications and Recommendations**

**The Resource Book**

**1.0 Introduction to the Resource Book**

**2.0 Home Security Systems in 2008 and Beyond**

**3.0 Consumer Information about Security Systems**

- 3.1 Security System Penetration Basics
- 3.2 Consumer Reported Reasons for Security – or No Security
- 3.3 Security System Usage
- 3.4 Economic Conditions and Intentions to Cancel Monitoring

**4.0 Security Dealer Information**

**5.0 Profiles**

- 5.1 ADT Security Services, Inc.
- 5.2 Brink's Home Security
- 5.3 DSC
- 5.4 Elk Products
- 5.5 GE Security
- 5.6 Guardian Protection Services
- 5.7 Honeywell Security
- 5.8 iControl
- 5.9 Intamac Systems LLC
- 5.10 Monitronics International, Inc.
- 5.11 Protection One
- 5.12 uControl

**Figures**

- Growth of Monitored Security in U.S. Homes 1991 - 2007
- Home Security Systems in U.S. Internet Households 3Q 2008
- Reasons for Lack of Interest in Security System
- Crimes in the U.S. 1988-2007
- 2008 Security System Penetration by HH Income among Internet Households
- Comparison of GDP Growth with Year to Year Net Monitored House Growth
- Security System Usage in U.S. Broadband HHs (BB = ~57% ALL HHs)
- Length of Security System Ownership
- Top Reasons for Adopting a Security System
- Security Systems Presence in Moved Homeowner Internet Households
- NAHB and NAR Housing Statistics
- Intentions to Cancel a Variety of Home Services
- Reasons for Intentions to Cancel Monitoring Service
- Intentions for CE Holiday Spending
- Numbers of Keypads and Door Sensors in Internet HHs with Security
- Number of Window Sensors in Internet HHs with Security
- Monitoring Services beyond Burglar Alerts

Security System Hardware Brands Reported  
Security System Hardware Brand Share 2007  
Security System Hardware Brand Share 2007  
SDM Top 10 2008  
Monitoring Provider in U.S. Internet Households 2008  
Security Industry Distribution Flowchart  
Security Dealer Company Revenue 2006  
Affiliations with Service Providers among Security Dealers  
Technologies Employed in Dealer Installed Security Systems  
Average Mark-up on Security Equipment  
Comparing Margins across Categories  
Dollar Split for Residential Home Security Market  
Two Way RF Technologies for Control  
Powerline Carrier Technologies  
Momentum for In-Home Control Technologies  
Security System Features in Internet Households vs. All U.S. HHs  
2008 Installed Security System Sales by Home Value  
Most Important Reasons for Intending to Adopt Security  
Highest Valued Features among Current Security Owners  
High Appeal Features in Non-Security Households  
Residential Security Forecast Flowchart  
Parks Associates History and Forecast for Housing Starts 1967-2013  
Multifamily vs. Single Family Starts 2005 - 2009  
Housing Starts and Rates of Security Adoption  
Comparison of 2007 vs. 2008 Security System Unit Sales Forecast  
Penetration of Any Security System vs. Monitored Security  
Total U.S. Home Security Market Revenues 2006-2012  
U.S. Home Monitoring Forecast  
2008 Security Forecast – Parks Associates  
Total 2008 Security System Sales  
2008 Market Value for Basic Security Hardware  
Dealer Installed Security System \$ Market Value 2007-2012  
Security and Monitored Security in U.S. Households 2006-2012  
Breakout of U.S. Households by Internet Segment 4Q 2008  
Broadband Penetration by Income 2005-2008  
Consumer-Reported Levels of Home Security 2007 and 2008  
Security System Penetration by Income  
Demographics of Security Ownership  
Millions of Monitored Security Households in U.S. 1991-2007  
Security or No Demographics by Demographics  
Reasons for Adopting a Security System  
Features Available in Security Systems  
Features Available in Security Systems – Con't.  
Reasons for No Interest in a Security System at Home  
Reasons Intenders Report for Wanting a Security System  
Security System Usage  
Features with High Appeal among Security Households  
4Q Intentions to Cancel Security Monitoring  
Reason for Intention to Discontinue Security Monitoring Service  
Likelihood of Canceling Various Monthly Services  
Respondents' Total 2006 Revenues  
Locations of Security Respondents' Installations  
Security Dealers' Role in Homeowner's Security Hardware Decision  
% of Security Dealers' Installations in Single Family Residences

% of Security Dealers' Installations in MDUs  
 Security Dealer Affiliations  
 Types of Affiliations among Security Dealers  
 Types of Systems Installed by Security Dealers  
 Average Mark up for Dealers on Security Components

Attributes	
<p>Parks Associates            5310 Harvest Hill Road            Suite 235            Lock Box 162            Dallas TX 75230-5805</p> <p>800.727.5711 toll free            972.490.1113 phone            972.490.1133 fax</p> <p>parksassociates.com            sales@            parksassociates.com</p>	<p>Authored by Tricia Parks            Executive Editor: Stuart Sikes            Published by Parks Associates</p> <p>© January 2009 Parks Associates            Dallas, Texas 75230</p> <p>All rights reserved. No part of this book may be reproduced, in any form or by any means, without permission in writing from the publisher.</p> <p>Printed in the United States of America.</p> <p><b>Disclaimer</b>            Parks Associates has made every reasonable effort to ensure that all information in this report is correct. We assume no responsibility for any inadvertent errors.</p>