

Transition-opportunity sector profiles

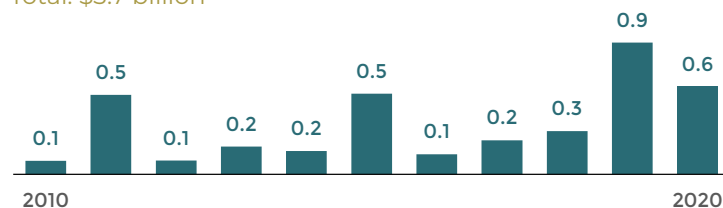
BUILDING TECH

Building Tech includes emerging technologies and materials that help reduce the carbon footprint of buildings. It includes energy management systems, smart thermostats, and sustainable building construction, technologies, and materials.¹

Global market (204 companies)

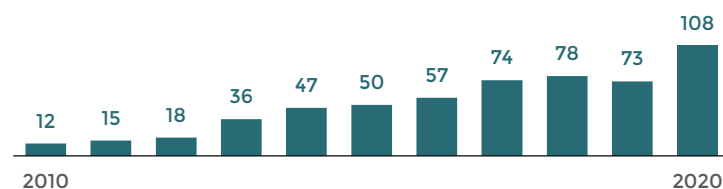
Capital invested (\$B)*

Total: \$3.7 billion



Deal count*

Nine-fold increase from 2010 to 2020



Global low-carbon scenarios and trends

- The broader market for green building materials was worth \$238 billion in 2020 and could grow to \$425 billion by 2027 (CAGR of 9%).²
- Stronger regulations (e.g., building codes, carbon pricing) could accelerate demand and supply chain development.
- Global scenarios show a significant increase in building electrification (65-75% by 2050).³

Global market dynamics

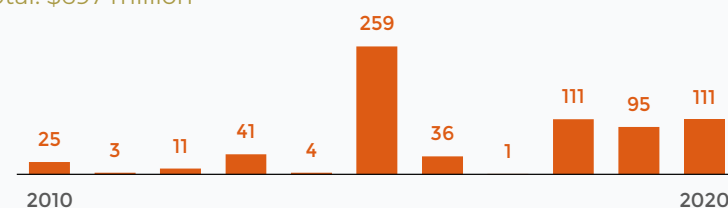
- Some export opportunities historically limited due to country-specific building codes.⁶
- Significant opportunities may emerge in the U.S. due to investments in low-carbon buildings and new federal building performance standard, though Buy American provisions could be limiting factor.⁷
- Competition based on capital and operating costs, length of time to energy/carbon savings.
- Market for electronic devices (e.g., cloud-based efficiency platforms) is evolving rapidly, putting pressure on incumbents to keep up.⁹
- Green building supplies market is nascent (e.g., concrete, mass timber) with few players, but growing.

*Source: PitchBook Data, Inc. (2021). Data is drawn from a custom search that has not been reviewed by PitchBook Analysts.

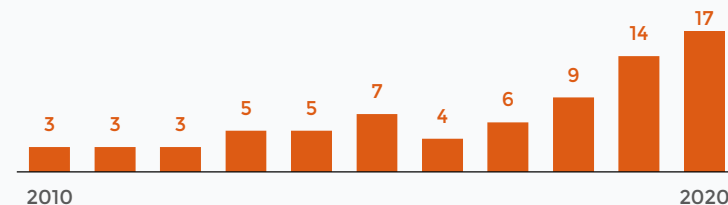
Canadian market (20 companies)

Capital invested (\$M)

Total: \$697 million



Six-fold increase from 2010 to 2020



Canadian net-zero scenarios and trends

- Strong climate regulations (e.g., net zero building codes, energy efficiency codes, carbon pricing, rebates) could triple the size of the green building industry by 2030.⁴
- Different local building codes could result in uneven growth across Canada.
- Net zero scenarios show significant increase in building energy efficiency and electrification.⁵

Canadian competitiveness

Canadian companies are well positioned in energy management, low-carbon concrete tech.

+ Advantages

- Strategic access to US market.
- Green building GDP doubled from 2014-18.⁹
- Increasing investments in R&D.¹⁰
- Leading policies in select jurisdictions (BC).

✘ Disadvantages

- Inconsistent standards across jurisdictions.¹¹
- Limited heat pump manufacturing.

NOTABLE COMPANIES

Nexii: Green construction company, over \$93 million raised as of August 2021.¹²

BrainBox AI: HVAC optimization using artificial intelligence.

Disclaimer

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The information and data contained in this analysis has been obtained or prepared from publicly available documents and other sources prepared by third parties, some of which may be proprietary and used under license. In particular, the global and domestic investment trends included in the two figures are obtained from PitchBook Data, Inc., drawn from customized searches that have not been reviewed by PitchBook analysts. These data and trends also underestimate total market activity. The PitchBook database contains information on over 3 million companies globally but is not exhaustive. Within this database, not all deals are included and not all deals have a disclosed value. The sector also only includes companies whose primary line of business aligns with the sector description (e.g., it excludes large multinationals with multiple lines of goods/services and those with only indirect linkages to the sector). Total investment includes company-level data through December 31, 2020.

All dollar values included in this document are expressed in USD.

Endnotes

- 1 Companies that focus primarily on technologies that sequester carbon dioxide in concrete, such as Carbicrete and CarbonCure, are included in the CCUS vertical.
- 2 Research and Markets. 2020. "Global green building materials market to reach \$425.4 billion by 2027." Press release. November 2.
- 3 Network of Central Banks for Greening the Financial System. 2020. "NGFS Scenario Explorer (REMIND-MAgPIE Immediate 1.5 with CDR and Delayed 2 with limited CDR)." <https://data.ene.iiasa.ac.at/ngfs/>; IEA (International Energy Agency). 2021d. Net Zero by 2050: A Roadmap for the Global Energy Sector. May.
- 4 Canada Green Building Council. 2020. Canada's Green Building Engine: Market Impact and Opportunities in a Critical Decade. https://www.cagbc.org/cagbcdocs/advocacy/CaGBC_CanadasGreenBuildingEngine_EN.pdf
- 5 Navius Research. 2021. Achieving Net Zero Emissions by 2050 in Canada. Analysis commissioned by the Canadian Institute for Climate Choices. <https://climatechoices.ca/wp-content/uploads/2021/02/Deep-Decarbonization-Report-2021-01-21-FINAL.pdf>.
- 6 Oliver Wyman. 2017. "Building technology: More disruption ahead." Insights Vol. 12.
- 7 The White House. 2021. "FACT SHEET: Biden Administration Accelerates Efforts to Create Jobs Making American Buildings More Affordable, Cleaner, and Resilient." <https://www.whitehouse.gov/briefing-room/statements-releases/2021/05/17/fact-sheet-biden-administration-accelerates-efforts-to-create-jobs-making-american-buildings-more-affordable-cleaner-and-resilient/>
- 8 Oliver Wyman. 2017. "Building technology: More disruption ahead." Insights Vol. 12.
- 9 Canada Green Building Council. 2020. Canada's Green Building Engine: Market Impact and Opportunities in a Critical Decade. https://www.cagbc.org/cagbcdocs/advocacy/CaGBC_CanadasGreenBuildingEngine_EN.pdf
- 10 Natural Resources Canada. 2020. "Energy Efficient Buildings RD&D." Government of Canada. <https://www.nrcan.gc.ca/netzerobuildings>; Statistics Canada. 2021. "Table 27-10-0347-01: Industrial energy research and development expenditures by area of technology, by industry group based on NAICS and country of control." Government of Canada. <https://www150.statcan.gc.ca/t1/tbl/en/cv.action?pid=2710034701>
- 11 Canada Green Building Council. 2020. Canada's Green Building Engine: Market Impact and Opportunities in a Critical Decade. https://www.cagbc.org/cagbcdocs/advocacy/CaGBC_CanadasGreenBuildingEngine_EN.pdf
- 12 PitchBook Data Inc. 2021. Custom search (data has not been reviewed by PitchBook analysts). [Pitchbook.com](https://pitchbook.com)