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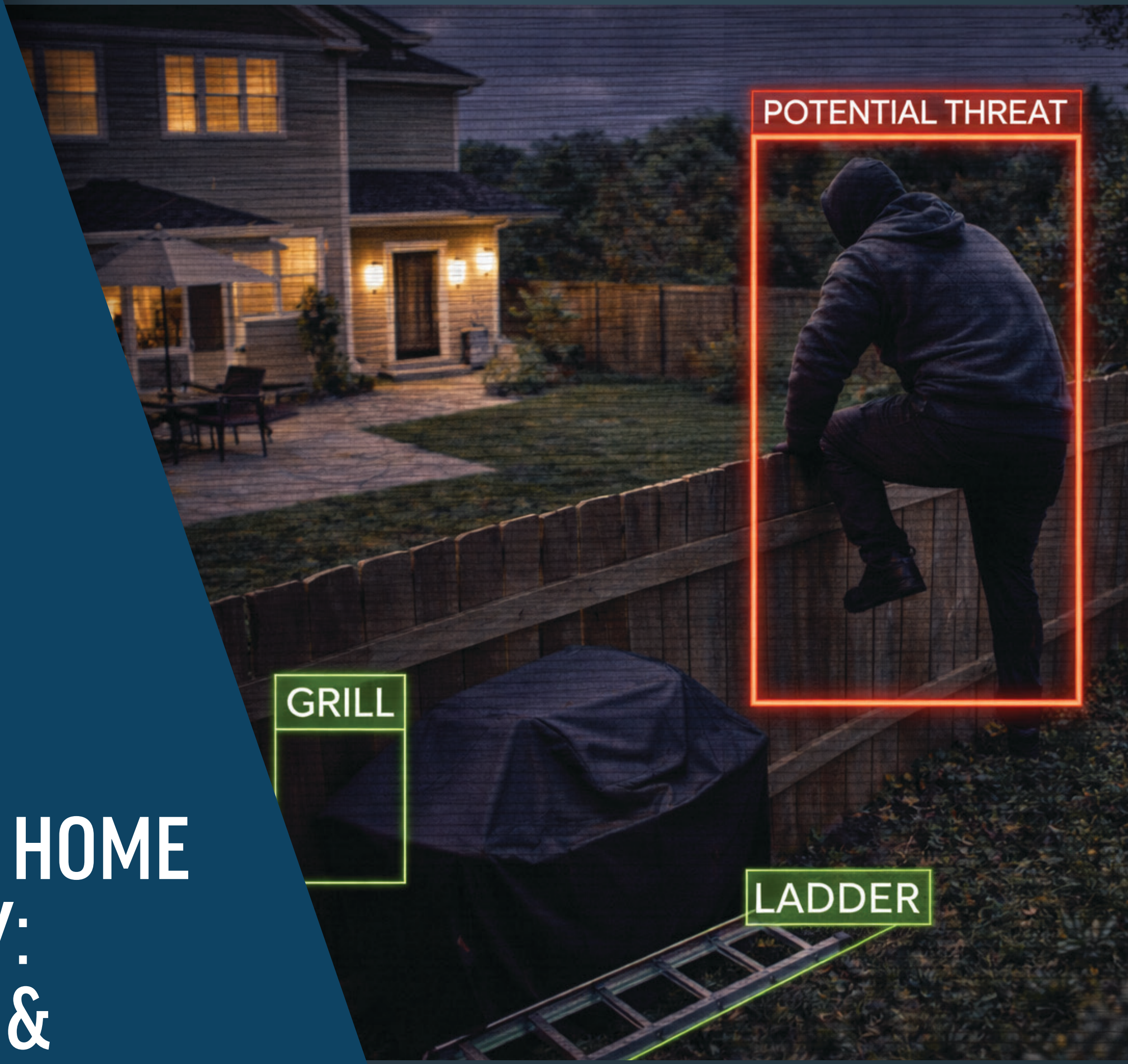

STATE OF HOME SECURITY: GROWTH & OPPORTUNITIES IN 2026

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State of Home Security: Growth & Opportunities in 2026

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STATE OF HOME SECURITY: GROWTH & OPPORTUNITIES IN 2026

The U.S. home security market enters 2026 at a pivotal moment. Adoption of security solutions – systems and devices - is at its highest rate ever, over time competition is broader and more complex, and consumer expectations have shifted well beyond traditional intrusion detection. Residential security is no longer defined solely by alarms and monitoring. It is increasingly part of a larger ecosystem of connected devices, data-driven intelligence, and lifestyle-oriented safety services.

Parks Associates' latest deep dive consumer research, Next Gen Home Security: Competition, Innovation, New Services, reveals strong momentum and significant opportunity for security providers willing to evolve. Nearly half of U.S. households now use some form of home security solution, more than a third are paying for security services, and demand continues to expand across systems, devices, and services as consumers seek greater peace of mind, control, and flexibility.

For security professionals, this evolution presents a clear message: opportunity is not defined by selling systems and monitoring, but by delivering intelligence-driven, verified, and lifestyle-oriented safety services that provide more context of the environment and risks.

Security Adoption Is Growing—But the Market Is Redefining Itself

In Q2 2025, 48% of U.S. households reported ownership of a home security solution, up 10 percentage points (or roughly 12 million new households) since 2022. While professionally installed and monitored systems remain a critical foundation of the market, growth is increasingly driven by alternative entry points. Device-only households—those with cameras or video doorbells but no full system—have doubled over the past three years, now representing 14% of U.S. households.

As professionally managed monitoring becomes more common, Recurring Monthly Revenue (RMR) is emerging as a key source of consumer value and recurring revenue for security providers. Now, 35% of households pay for some type of security-related service, including monitoring, alerts, or video storage attached to a security system or stand-alone smart video device.

This growth in device-based security, and willingness to pay for monthly services beyond intrusion, reflect changing consumer expectations. Households want protection without long-term contracts, and they are willing to assemble security incrementally. Cameras, video doorbells, and smart locks often serve as the "front door" to the category, with services added later as needs evolve and life stages change.

Security has shifted from a one-time purchase to an ongoing experience, pushing providers to look beyond initial installation and toward ongoing upselling and new applications for an increasingly connected home. Security, in other words, is no longer a single purchase decision—it is a journey.

What Drives Demand for Security Solutions Today

Traditional motivators such as burglary, neighborhood crime, and package theft remain central to adoption, particularly as e-commerce growth continues to fuel concerns around porch piracy. Video doorbells and outdoor cameras directly address these risks by providing visibility and verification.

However, lifestyle-driven motivations are now equally influential. Consumers increasingly cite:

Convenience and control, including remote arming, locking, and mobile alerts

Smart home integration, linking security with lighting, thermostats, and voice assistants

Peace of mind, not just during emergencies, but throughout daily routines

Nearly all systems sold today are "interactive." App-based control and real-time alerts are no longer premium features—they are baseline expectations. In fact, 42% of households who switched security providers did so primarily to gain access to more features, highlighting the importance of continuous innovation.

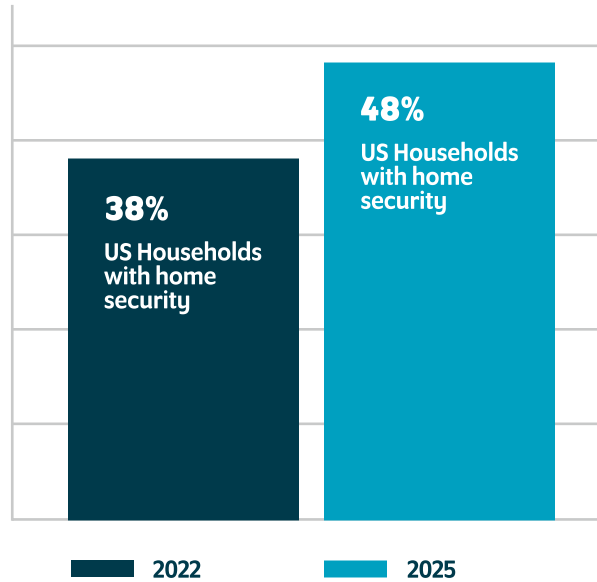
Devices Play a Central Role in Modern Security

Cameras now sit at the center of the home security value proposition and the value is easily understood. Consumers increasingly describe cameras as the "eyes and ears" of the home, offering reassurance, situational awareness, and confirmation that sensors alone cannot provide. They are as commonly adopted by new buyers as are sensors and keypads; and offer an upsell opportunity after the sale.

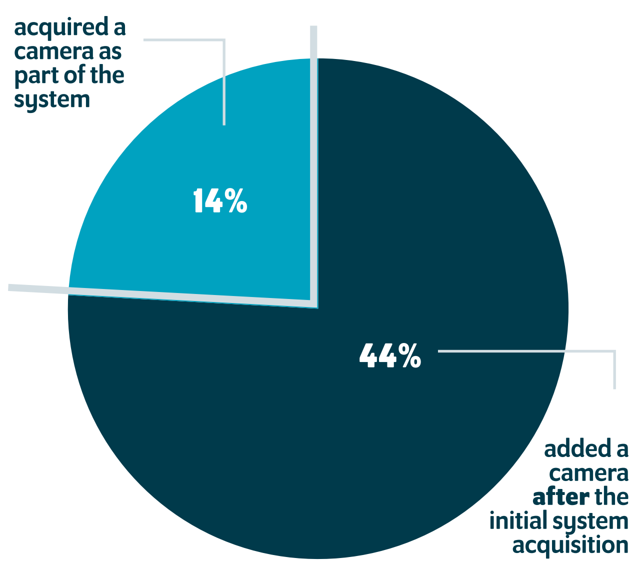
System expansion is a key feature of modern adoption. Security solutions are increasingly defined by add-ons that extend beyond intrusion detection. Approximately one-third of households expand their systems post-installation, with DIY owners showing the highest engagement: 40% added devices in 2025 versus 30% of pro-installed system owners.

Regardless of how a security system was acquired and installed, cameras are the most commonly added device after the sale, along with video doorbells and smart locks. Even among professionally monitored households, video devices are the most frequently added components, reinforcing the industry-wide shift toward video-centric security experiences.

Smart locks further strengthen this trend by combining access control with verification. When integrated with cameras and doorbells, locks enable complete entryway management, allowing homeowners to see who is there and control access in real time.



In 2025, 48% of U.S. households reported ownership of a home security solution, up sharply from 38% in 2022.



44% of security system owners acquired a camera as part of the system; another 14% added a camera after the initial system acquisition.

Monitoring Services Are Evolving, Not Disappearing

Professional monitoring remains the dominant security services model, accounting for almost two-thirds of paid security services. These households consistently report higher satisfaction, citing 24/7 response, reliability, and peace of mind.

At the same time, the market is fragmenting further. Paid self-monitoring, device-based subscriptions, and hybrid models are growing rapidly as consumers seek affordability and flexibility. Subscriptions tied directly to devices now represent more than one-fifth of paid security services, reflecting consumer comfort with modular, feature-driven pricing. Importantly, consumer behavior reveals clear trade-offs. Half of households that moved from self-monitoring to professional monitoring cited being unavailable during a security event, while others said self-monitoring did not provide enough detection. These findings emphasize an opportunity for hybrid models that combine affordability with professional backup

Monitoring Services Are Evolving, Not Disappearing

One of the most important shifts shaping the market is the growing emphasis on verification and false alarm reduction. Consumers have little tolerance for nuisance alerts, and municipalities increasingly require verified events before dispatching emergency services. AI-powered video analytics, sensor fusion, and human-in-the-loop services are transforming how security systems respond to events. Advanced AI detection capabilities enable systems to distinguish

people, packages, pets, and vehicles, dramatically reducing false alerts. Video verification adds context that enables faster, more confident response by both homeowners and monitoring centers.

Consumer interest is strong:

70% of security system owners find video verification highly appealing

63% want AI-driven analysis of sensor and video data

61% value human-in-the-loop verification, such as live agent services

Live agent response services are especially compelling. When a trained professional can interact with an unfamiliar individual detected on a video feed—rather than simply issuing an alert—security shifts from reactive to proactive. These services improve outcomes, reduce false dispatches, and strengthen trust with both consumers and public safety stakeholders.

For the industry, verification is no longer just a compliance issue; it is becoming a key differentiator and justification for recurring revenue.

Next Generation Opportunities: Double Down on Safety, Expand Beyond the Home

Growth opportunities increasingly lie beyond intrusion detection. Consumers show strong interest in safety and monitoring services that address a wider range of risks. Security system owners are interested in expanding beyond their current package with new add-on services.

61% of security system owners are interested in adding fire and gas monitoring

59% are interested in adding vehicle monitoring

57% are interested in adding water leak detection

Pool monitoring, fire detection, and vehicle protection represent particularly compelling expansion paths for traditional providers and new market opportunities for other channels like ISP, insurance, and energy providers. They address real risks, extend protection beyond the home's walls, and create entry points for new customers who may not see the need for a full security system.

Among households without a security system, one-third express high interest in fire and gas safety monitoring (34%), and nearly as many in vehicle monitoring and dash cams (31%), showing demand for targeted safety solutions outside the home. Services like out-of-home emergency buttons and smart tag tracking also resonate, reflecting a growing desire for mobile and personal protection tools. This interest signals an opportunity for providers to attract new customers with modular, service-driven offerings that meet safety needs without requiring full system adoption.

Competition Elevates the Importance of Trust

The residential security competitive landscape now includes traditional security providers, DIY brands, technology platforms, ISPs, utilities, and new cross-industry entrants. Tech giants embed security into broader ecosystems, while ISPs and utilities leverage existing billing relationships to bundle security with connectivity and energy management.

Despite this fragmentation, one constant remains: trust. Parks Associates research consistently shows higher satisfaction among professionally monitored households. While consumers may experiment with devices and platforms, long-term security relationships continue to favor providers that deliver reliability, accountability, and service continuity.

As security becomes a foundational component of a connected lifestyle, along with connectivity, the role of the security professional shifts from installer to trusted safety advisor and with more opportunities to offer services.

Implications for Security Dealers

For security dealers, the path forward is clear but requires adaptation.

1. ***Lead with video and verification:*** *Cameras, AI analytics, and video verification are no longer optional enhancements. They are central to reducing false alarms, improving outcomes, and meeting consumer expectations.*

2. ***Offer flexible, tiered service models:*** *Consumers want choice—DIY entry points, hybrid monitoring, and on-demand professional response. Dealers who provide modular options will capture a broader audience without undermining premium services.*

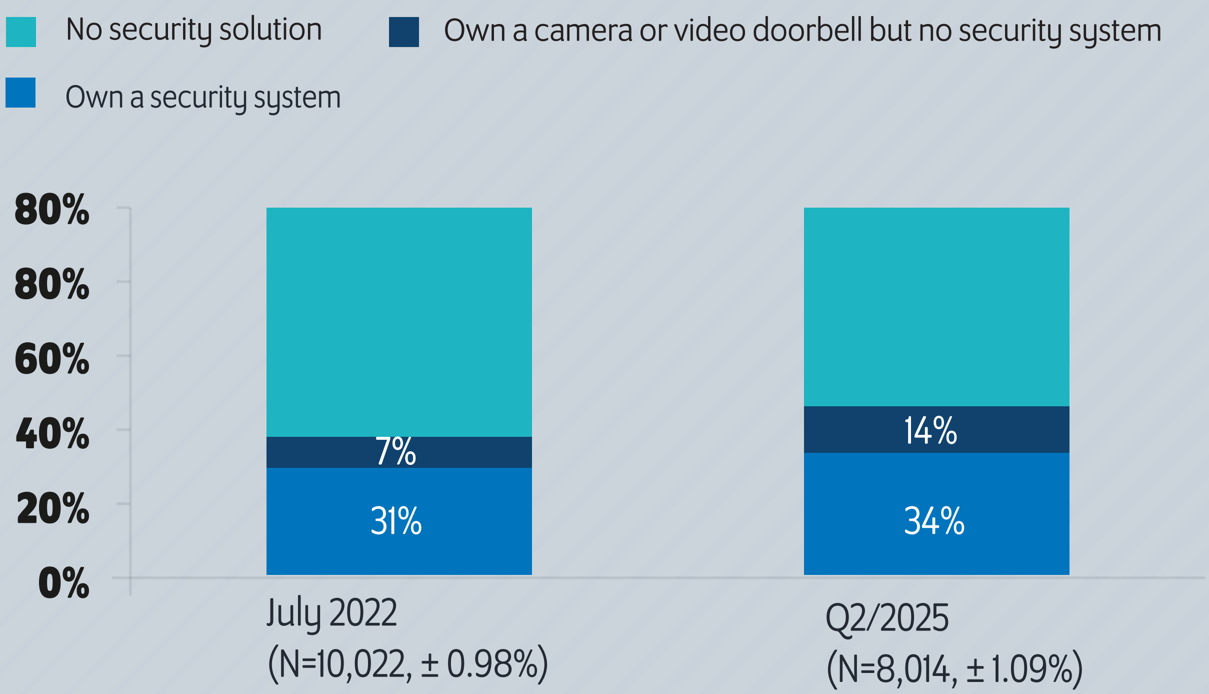
3. ***Expand into safety services early:*** *Fire, vehicle, water, and pool monitoring are not niche add-ons—they are mainstream opportunities. Introducing these services early in the customer relationship increases lifetime value and differentiates offerings.*

4. ***Embrace live agent services as a premium differentiator:*** *Human-in-the-loop response resonates strongly with consumers and reinforces the value of professional security. These services also support compliance, verification standards, and stronger relationships with public safety partners.*

5. ***Simplify the experience and educate the customer:*** *Many consumers are interested in automation and advanced features but struggle with complexity. Dealers who preconfigure, educate, and guide will build stronger, longer-lasting relationships.*

As home security continues to evolve into a broader safety ecosystem, dealers who embrace intelligence-driven services, verification, and flexible models will be best positioned to grow in 2026 and beyond—while reinforcing the enduring value of professional security in a rapidly changing market.

Security Solution Adoption



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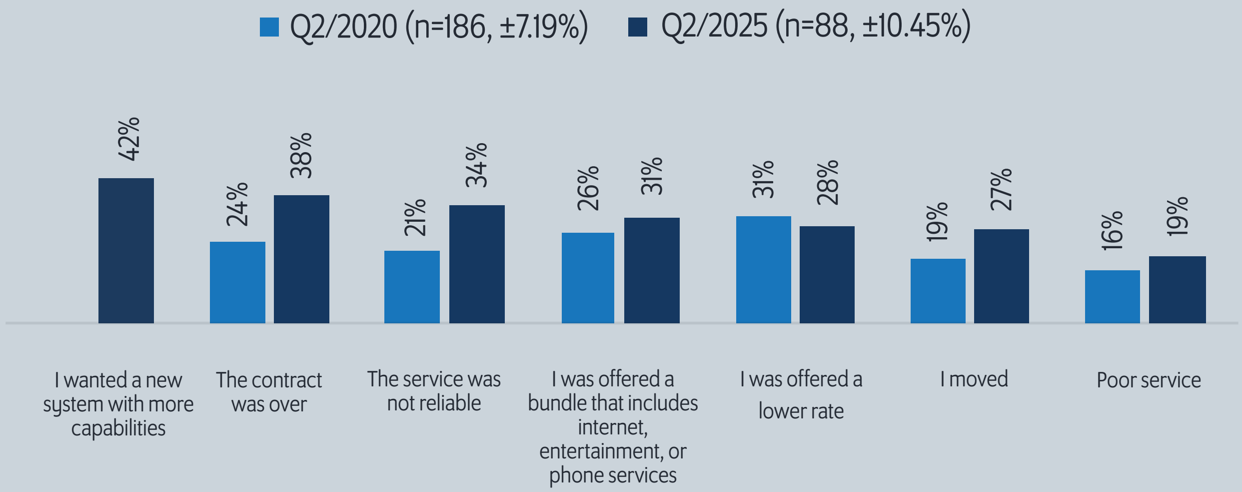
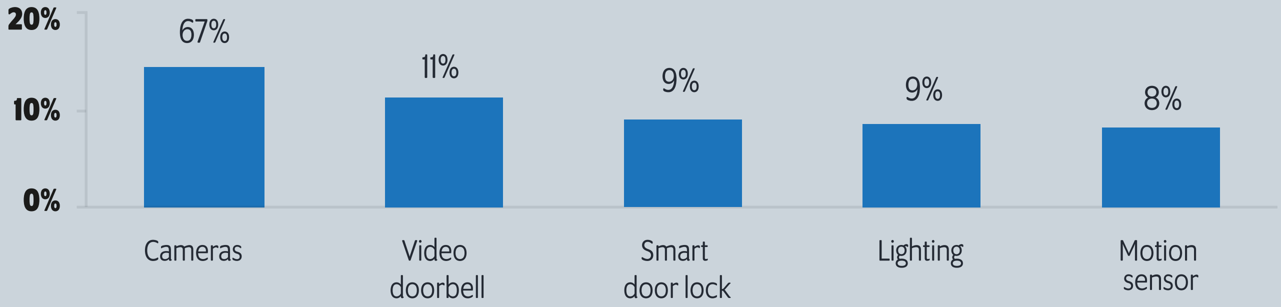
Reasons for Switching to a Different Professional Monitoring Provider



Among Those Who Switched to a New Professional Monitoring Service Provider in the Prior 12 Months | © 2026 Parks Associates

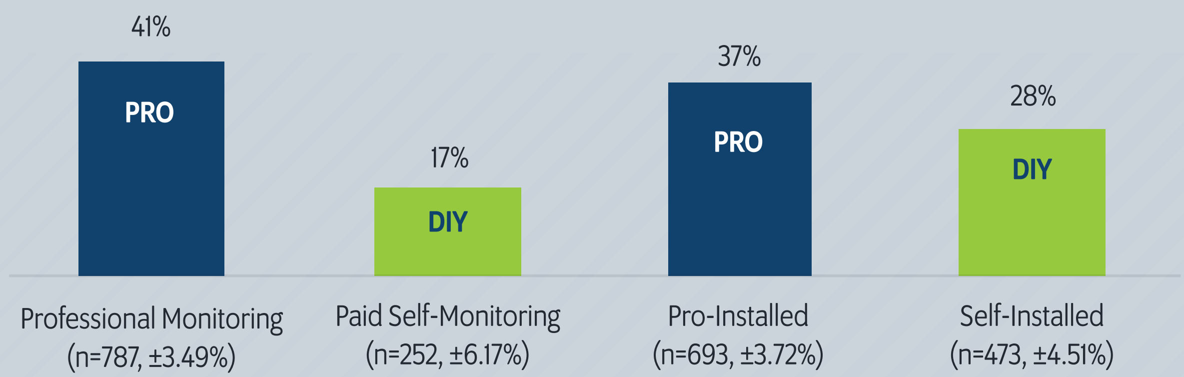
Top 5 Devices Added to Existing Security Systems

Among Security System Owners



% Completely Satisfied with System

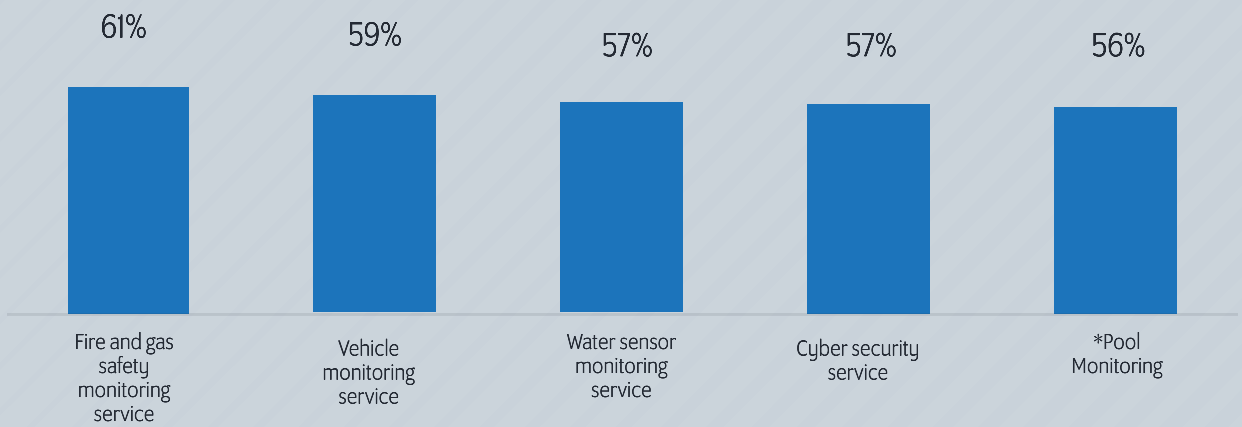
By Installation/Monitoring Segments



Among Security System Owners in Specified Segments |

Top 5 Security System Add-on Services

% Rating "Interested" (Rating 5–7 on 7pt. Scale)



Among Security System Owners Surveyed, Note: *Option was shown to security system and pool owners | © 2026 Parks Associates