# HVAC industry prepares for 2025 with new trend report



As the HVAC industry prepares for one of its landmark events in Orlando, AHR has unveiled its much-anticipated 2025 Trend Report, highlighting key challenges and opportunities anticipated for the forthcoming year. The report, which compiles insights from several prominent organisations in the sector, delineates pressing issues such as the continued transition to lower-GWP refrigerants, workforce development, and the need for compliance with evolving regulatory frameworks.

Steve Yurek, president and CEO of the Air-Conditioning, Heating, and Refrigeration Institute (AHRI), commented on the strength and innovation present within the industry. "Our industry around the world is strong and innovative," he stated. Yurek further noted that member companies are engaged in proactive discussions regarding the global regulatory landscape, particularly with the ongoing phase-out of HFC refrigerants, which began in 2011. The industry is currently collaborating with regulators and environmental organisations to investigate the feasibility of transitioning to even lower-GWP refrigerants in certain applications.

The report also underscores the importance of economic viability amid decarbonisation initiatives in both the United States and internationally. Furthermore, AHRI anticipates a significant focus on the implications of the Inflation Reduction Act, awaiting final guidance from the Treasury Department on the relevant tax credits.

The Heating, Air-conditioning & Refrigeration Distributors International (HARDI) organisation reports that demand in the residential end-market remains subdued, attributed to inflated prices and high interest rates. Conversely, the non-residential sector is performing robustly, especially with notable investments in data centres and manufacturing facilities. “Residential demand in both ’23 and ’24 has been suppressed by a difficult mix of inflated prices and high interest rates,” HARDI’s report states, while also highlighting a growth of over 10% in the HVACR addressable market across the two years.

In response to the ongoing shifts, HARDI plans to streamline regulatory updates to assist members in navigating the complexities of compliance. Talbot Gee, CEO of HARDI, outlined the potential challenges posed by the transition to A2L refrigerants and emphasised the necessity for distributors and contractors to remain well-informed. He acknowledged that “2025 should bring more opportunities for growth than 2024,” while emphasising the importance of preparedness amidst the regulatory changes.

Meanwhile, the Plumbing-Heating-Cooling Contractors (PHCC) Association sees opportunities stemming from federal and state incentives aimed at promoting high-efficiency products. These incentives are expected to not only modernise inventories but also facilitate contractor training on emerging technologies. Cindy Sheridan, CEO of PHCC, remarked, “The HVACR industry is starting into a period of change that can offer significant opportunities for both consumers and contractors,” with energy efficiency becoming a critical factor moving forward.

The National Comfort Institute (NCI) is advocating for an end to outdated operational practices in favour of advanced training, particularly regarding inverter technology. Dominick Guarino, president and CEO, stressed the industry's need to address the sub-optimal performance levels of HVAC systems, which currently under-deliver capacity to conditioned spaces by less than 60%. NCI is urging a focus on training and verification, particularly amidst the substantial transitions the industry is experiencing.

The ESCO Group has highlighted the transformational changes driven by technological advancements and a pronounced focus on sustainability. The industry's shift towards energy-efficient solutions is evident through the increasing adoption of heat pumps and hybrid solutions, which are gradually replacing traditional fossil fuel heating systems. "There’s a strong shift towards innovative and energy-efficient solutions aimed at combating global warming," the report notes.

As new technologies and regulations take effect, a focus on training and proper certification for HVAC professionals has emerged as a priority, ensuring the workforce is adequately prepared to meet consumer expectations for high-quality service. Clifton Beck, manager of digital media at ESCO Group, identified residential air-to-water inverter heat pumps with ultra-low-GWP refrigerants as a vital innovation anticipated to reshape the industry over the next decade.

In summary, the HVAC industry stands at a crossroads, with significant trends and transitions expected to define its trajectory in 2025. Stakeholders across the sector are preparing to navigate the complexities of regulatory changes, evolving technologies, and workforce challenges, with an emphasis on sustainability and efficiency at the forefront of their strategies.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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