

U.S. Low-Voltage Systems Integration and Lighting Controls Market

Market Overview and Strategic Outlook

Prepared by Rospex Holdings LLC

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Executive Summary Edition



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Market Overview

The U.S. low-voltage systems integration and commercial lighting controls sector operates at the intersection of specialty electrical contracting, smart building technology, and energy management services. The broad U.S. electrical contracting market is approximately \$345 billion (IBISWorld, 2025). The smart building and automation segment most relevant to regional controls specialists is estimated at \$30-50 billion, growing at 6-10% annually. Global building automation systems are estimated at approximately \$87.9 billion in 2025 with 8-10% CAGR through the early 2030s.

For a regional controls integrator, reaching \$10-\$15 million in revenue requires active market share capture, not just riding industry growth. Achieving that scale organically requires a systematic sales engine, geographic expansion, or tuck-in acquisitions - the organic growth rate alone is insufficient.

Industry Economics

Typical financial benchmarks for specialty controls integrators: gross margins of 25-40%; EBITDA margins of 10-20%; job sizes ranging from \$25,000 to over \$250,000; low capital intensity; and high labor intensity. These are people-driven, project-based businesses where profitability is primarily driven by technical staff utilization, pricing discipline on project work versus service engagements, and the proportion of revenue from recurring maintenance and support agreements.

Competitive Landscape

The market is organized in three tiers: large national integrators operating at enterprise scale; regional specialists - typically authorized dealers for leading controls manufacturers - who represent the primary competitive set for mid-tier operators; and small local installers competing on price. Mid-tier differentiators are vendor certification, ecosystem depth, responsiveness, and the ability to manage complex multi-system integrations. Vendor concentration - particularly heavy dependence on a single manufacturer's platform - is a structural risk that limits addressable market and creates customer concentration vulnerability.

Strategic Trends and Investment Considerations

Key positive tailwinds are energy code mandates embedding lighting control requirements across building types, utility rebate programs supporting project economics, and continued growth in commercial building automation adoption. Key negative pressures are technology simplification increasing DIY and adjacent trade competition, talent constraints limiting growth, and high supplier power from dominant controls manufacturers.

This market is investable as an operator-driven business, not a passive investment. Value creation requires professionalizing sales and pricing, building non-founder-dependent organizational infrastructure, and developing recurring service revenue. Roll-up potential is moderate: acquisition targets are numerous but integration risk is real given the people-and-reputation nature of the business. Porter's Five Forces analysis yields approximately 5.5 out of 10 - average to challenging - reflecting high supplier power and competitive rivalry.

Market Fragmentation and Competitive Structure - Southeast U.S.

Fragmentation Assessment

The low-voltage systems integration and lighting controls sector is highly fragmented at the regional level. The broad electrical contracting industry (NAICS 238210) in the Southeast mirrors national fragmentation patterns - approximately 51% of firms nationally have 1-9 employees per NECA survey data. For the specialty controls sub-segment specifically, the universe of dedicated Lutron commercial authorized dealers, Crestron integrators, and independent building controls specialists in the Southeast is relatively small: estimated at 80-150 firms across the region, with North Carolina and South Carolina together supporting an estimated 15-30 active commercial controls specialists of meaningful scale.

Metric	Estimate
Estimated commercial controls/LV integrators, SE region	~80-150 firms
Estimated NC+SC commercial controls specialists	~15-30 firms
Firms with >\$3M annual revenue in NC+SC (est.)	~5-10
Firms with >\$10M annual revenue in NC+SC (est.)	Fewer than 3-5
National electrical contracting firms (all types)	~117,000+ (IBISWorld 2025)
Fragmentation level	High - no dominant regional controls integrator in Carolinas

Estimated Number of Competitors

The 'addressable' competitive set for a commercial lighting controls and building automation integrator in the Carolinas - meaning firms competing for the same project and service budgets - is relatively narrow. Lutron's authorized commercial dealer network, Crestron and AMX integrators, and independent BAS/controls firms account for an estimated 15-30 operators in NC and SC combined who are meaningfully active in commercial controls integration. The adjacent set of general electrical contractors who perform controls work as a secondary service adds another 50-100 firms who compete on specific project types without specialization.

Average Competitor Size

Mid-tier commercial controls integrators in the Carolinas typically generate \$1.5-\$6 million in annual revenue, employ 5-20 technicians and project managers, and maintain 1-3 vendor certifications. The average firm is heavily founder-dependent, with 1-2 senior technicians who hold critical vendor certifications and manage the most complex client relationships. Recurring revenue from service agreements typically represents 15-30% of total revenue for established

operators, with the balance from project work. Single-owner operators under \$2 million in revenue make up an estimated 60-70% of the market by count but only 20-30% of total revenue.

Largest Known Competitors - National and Southeast

Named competitors relevant to the commercial lighting controls and low-voltage integration market in the Southeast:

Company / Platform	Notes
AVI-SPL	Largest U.S. AV and workplace technology integrator; national enterprise focus; headquartered in Tampa; Southeast presence
Diversified (formerly AVI-SPL competitor)	Major national AV/controls integrator; enterprise and commercial; Southeast offices
Lutron Electronics (direct)	Manufacturer with direct commercial services capability; competes with its own dealer network on large projects
Siemens Smart Infrastructure	Large BAS and controls platform; competes in commercial and institutional segments; Southeast presence
Johnson Controls	Major BAS/HVAC controls platform; large commercial and institutional; Southeast presence in Charlotte, Raleigh
Solutionz (regional)	Southeast-based AV and controls integrator; relevant regional competitor
Independent Lutron commercial dealers (NC/SC)	Estimated 5-10 authorized commercial dealers in NC+SC; the direct competitive set for mid-tier projects
General electrical contractors with controls capability	~50-100 in NC+SC; compete on commoditized scope without deep specialization

Note: The Carolinas controls integration market is not dominated by a single regional specialist, and national enterprise integrators (AVI-SPL, Diversified) primarily target large commercial and institutional accounts above the \$500,000 project threshold. The \$50,000-\$500,000 commercial project range - the primary market for a regional specialist - has no clearly dominant local incumbent, representing the core opportunity for a focused operator.

Full research report with detailed market sizing, NAICS analysis, competitive profiles, and complete citations available upon request from Rospex Holdings LLC.

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