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			+41.55	-21.11	-7.19
			+0.25%	-0.50%	-0.39%

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Jan. 20, 2014, 8:40 a.m. EST

Your home will soon be a giant iPhone

Google (and others) know when you're asleep — and when you're awake

25 Comments



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By **Quentin Fottrell**

Google's (NASDAQ:GOOG) purchase of home automation company Nest Labs gives the world's biggest search engine a foothold in people's homes. But experts say Internet companies are already tracking the habits of Americans at home — and it's only just begun.

On Monday, Google said it paid \$3.2 billion for Nest, a maker of smartphone-controlled thermostats and smoke alarms. Founded in 2010 by two former Apple (NASDAQ:AAPL) employees, Tony Fadell and Matt Rogers, the company's \$249 "next generation" thermostat learns your schedule and even programs itself when you're not home. The thermostat industry has about \$3 billion in annual revenue, according to industry research firm IBISWorld, up 2% annually since 2008. But the market for smartphone-operated household appliances is estimated to surge from \$612 million in 2012 to \$35 billion in 2020, according to Navigant Research. "Smartphones are increasingly the remote controls for our lives," says Jeff Kagan, a technology analyst. "They will control everything in your house and car."



[Enlarge Image](#)

Nest Labs

"You can expect to see more companies attempting to do this in coming years, tracking nearly every movement in your home," says Neil Strother, senior research analyst at Navigant Research. There is already a small army of apps doing just that. SmartThings, a free app for iOS and Android, monitors light switches, unlocked doors and car keys. Home automation company [Vivint](#), bought for \$2 billion by Blackstone Capital Partners in 2012, says it services 800,000 customers in North America. Its free iOS app can act as a motion detector, remote-controlled security system and electronic door lock. [AT&T's Digital Life](#) offers plans from \$4.99 per month that track water leaks, energy usage, unlocked doors and home security cameras. Tech company Belkin even launched a [smartphone-controlled slow cooker](#).

How does this affect your privacy? What companies learn when you check in at a restaurant on [Facebook](#) or plug your location into Google Maps pales in comparison to the wealth of data that they'll glean from (and possibly use against) consumers in the not-so distant future, says Adi Kamdar, an activist at the non-profit Electronic Frontier Foundation, a consumer advocacy group focusing on online privacy. "Connected cars may report unsafe driving, raising or canceling your insurance," he says. Similarly, a home insurance company might be interested in a smoke detector that goes off several times a day. "During a divorce, your spouse subpoenas a thermostat company for records to prove that you set low temperatures in the house, keeping your kids too cold.

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Is that something you want to even deal with? " he asks.



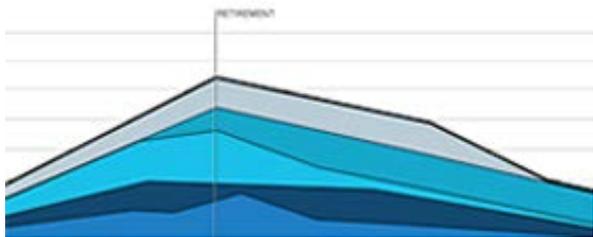
How does Google benefit from Nest deal?

Dan Gallagher joins MoneyBeat with a look at how Google's deal for Nest Labs will pay off. Photo: Nest Labs.

Most companies aggregate data, but say they don't release personalized information. In a blog on the [company's website](#), Nest co-founder Matt Rogers writes, "Our privacy policy clearly limits the use of customer information to providing and improving Nest's products and services." Google's privacy policy constantly evolves. It's nearly increased fourfold in size from 650 words a dozen years ago to [2,260 words today](#): "We may share aggregated, non-personally identifiable information publicly and with our partners — like publishers,

advertisers or connected sites," it states. Similarly, SmartThings' privacy policy states, "We may also provide aggregate information to our partners." And [Vivint's privacy policy](#) states that it doesn't sell or trade personally identifiable information — except to "trusted third parties" and to comply with the law.

Nor does potential use of consumer data take into account data hacking. "What happens if someone gets into your phone?" says Rick Singer, CEO of GreatApps.com. Or into your smart meter? In 2011, German researchers Dario Carluccio and Stephan Brinkhau gave a [presentation](#) about accessing the unencrypted data passing from smart meters to a utility company's server. After two days of analyzing data, they were able to tell whether the householder was at home, away or asleep, how many personal computers and TVs were in the home, and even what he or she was watching on television. TVs and computer cameras are also vulnerable to hacking, says Adam Levin, co-founder of online security company Identity Theft 911. In 2012, for instance, Samsung fixed a bug in its Smart TV after Malta-based security company [ReVuln](#) turned on a TV's built-in security camera. ■



Current Age
 Current Salary \$
 Annual Savings 10%
 Total Assets \$

What's This?

Rates »

HOME	AUTO	SAVINGS	CREDIT CARDS
Money Market	0.4%	0.43	0.43
3-month CD	0.2%		
1-year CD	0.7%		

National averages from [Bankrate.com](#)

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Wanna work with it.

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Sumi Allen from Facebook

2 hours ago

this has already existed. AZ homes already had the remote control AC and all that jazz years ago. Boomer flippers want my generation to die for their Halliburton shares and gas guzzling SUVs- not home improvement.

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Bob DaBlob

1 hour ago

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"Boomer flippers"???

Hmm...not sure I see this as a generational thing, but, if you want to make that comparison, how about all those Gen X/Y/Z Apple ear-bud, over-extended college loan, can't get a job occupiers???. Think they are terribly concerned with the pieces of the pie that get left for the rest?

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Riccardo Marinoni from Facebook

2 hours ago

The Big Brother is watching you.

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Roland McAllister

3 hours ago

Anyone remember the book 1984? Probably not, who reads books these days. Maybe you should look into it. Obviously the author got the year wrong but you can see it coming.

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2  Like Reply

Dean Moriarty

3 hours ago

@Roland McAllister Orwell was a genius. To bad most remember him for Big Brother. His predictions of the changes that have come about in society are spot on. Look about, do you see the beginnings of the 3 class society?

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1  Like Reply

Dan Spillane

2 hours ago

@Roland McAllister Anyone heard of the term "Big Data"? What a corporate rip-off of Orwell--and clever plan by a sea of lawyers to inflict a cruel and expensive joke on everyone.

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Like Reply

Vincent Wolf

3 hours ago

Yeah organized crime taps into that information highway and it's targets away for homeowners on vacation with break-ins galore.

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Maureen Foster Mrozek from Facebook

3 hours ago

House of the future is here now, a little scary!

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Sujay Ghosh from Facebook

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IT is the future,..!

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David Lester Williams from Facebook

4 hours ago

Wall Street and Silicon Valley are the real Big Brother. They already control

everything from your federal, state, and local government, to the foods you eat, to your retirement account. Do you really want them controlling your thermostat, your refrigerator, and your dishwasher?

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2  Like Reply

Vano Saakashvili

3 hours ago

Most don't care...until it will be too late. And it will be too late, there is not way to stop this "progress" now. Reinhard Heydrich is turning in his grave that he was not born 70 years later.

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Bob DaBlob

2 hours ago

That's a bit of an extreme comparison, don't you think?

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John Holdem

4 hours ago

prying eyes, huh...

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1  Like Reply

Tanner Wells from Facebook

 4 hours ago

Not if i can help it.

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2  Like Reply

Melva Mongas Dutallas from Facebook

 4 hours ago

scary stuff...no privacy even in the washroom doing your thing someone might be watching you :)

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1  Like Reply

Panagiotis Ampatzis from Facebook

 4 hours ago

ehm... if my house would become a giant iphone i d need only one button and it will probably cost a fortune... so i prefer my house to become a giant android

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robert laden

5 hours ago

So while some people keep themselves busy using their smartphones to adjust the temperature in their homes, the dirty dishes keep piling up in the sink, the refrigerator doesn't get restocked with groceries, the dirty clothes don't get washed, the grass doesn't get cut, and the faucet in the bathroom continues to leak.

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1  Like Reply

Marco Chiellini

5 hours ago

Soon hackers and NSA will control our lives at 100%. Home sweet home will be no more ...

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1  Like Reply

Dean Moriarty

5 hours ago

Sweet. As they consolidate the grid it makes it easier to stay off it.

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2 Like Reply

Rick Farley

6 hours ago

To be honest, most of this tech is simply unnecessary for most of the general population. My phone and car already do way more things than I would ever use or have even tried to figure out.

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6 Like Reply

Vano Saakashvili

3 hours ago

@Rick Farley One day, when the Big Brother does not like you anymore, he will show you what those functions can do (to you).

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