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Growth in the heat pump industry despite slump in construction – now more than 600,000 heat pumps

The Finnish Heat Pump Association SULPU statistics of 2013 show that the heat-pump industry experienced growth even though the construction of new houses as well as renovation building decreased considerably. The 600,000 heat pumps in Finland extract 4TWh/a of local heat – renewable energy – from around buildings, from ground rock, from the ground or from the air. Finns invested approximately 400 million Euros in heat pumps. A very profitable investment.

The sales volume of air-to-water heat pumps grew by 30% last year, and the sales volume of air-source heat pumps also grew by a couple of per cent, even though the main market, renovation building, of these heat-pump types fell by dozens of per cents. It was also noteworthy that properties such as oil-heated and electricity-heated terraced houses and apartment buildings as well as industrial and commercial properties were fitted with up to more than 1000 heat pumps.

The construction volume of detached houses fell greatly last year. The sales volumes of ground-source heat pumps and exhaust-air heat pumps did not suffer from this, however, too severely. Indeed, more than half of Finland's builders choose a ground-source or an exhaust-air heat pump solution for their houses. Even though the decrease in the construction volume indicated a loss in the potential of 1500 heat pumps, this was reflected as a decrease of only 2% in exhaust-air heat pump sales and a decrease of less than 5% in ground-source heat pumps. The market share of heat pumps amongst one-family house builders, in other words, grew significantly.

Finns invest as much as 400 million Euros in heat pumps every year. The reason for this is clear. Most often, the return on this investment is more than 10% per year. With the current interest rates and energy prices, not making the decision to invest in a heat pump in our conditions is, actually, only due to lack of information, SULPU Executive Director Jussi Hirvonen points out.

The effect of saved fuel on the Finnish trade balance is, already now, significant. Nevertheless, the greatest potential is only now opening up. Despite the excellent profitability of the investment, only 8000 of the 220,000 users of oil heating or the 100,000 users of hydronic electricity heating changed their heating systems to a heat pump last year. SULPU had an independent survey conducted on the overall impact on the trade balance, on private, state and municipal economy, on employment as well as on CO₂ emissions in the event that all of these oil and hydronic electricity-heating systems were changed to heat pumps. The 3 billion in savings, the 260-million impact on the trade balance as well as the other survey results can be read on www.sulpu.fi.

Heat pumps will have a very good competitive advantage in the upcoming, almost 0-energy construction, and they already currently do in the renovation of existing heating systems. They represent local energy from our immediate surroundings. With the same machinery, heat pumps also offer a cooling system for buildings and they reduce CO₂ emissions. It is easy to predict years of strong growth for the industry. In 2020, we will have one million heat pumps that will be producing approximately 8 TWh/a of renewable energy, which will be the equivalent of 15% of Finland's EU renewable-energy requirements. The increase in the number of heat pumps will, naturally, be reflected in the reduced use of oil. Furthermore, due to the extensive reduction of electricity heating in our country, the consumption of electricity that is used for heating will also decrease – envisions Jussi Hirvonen from SULPU.