



# Oslo Outlook

December 2024



Menon publication no. 169/2024

By Emira Sopi, John Oskar H. Skjeldrum and Per Fredrik Johnsen

# Contents

2. Summary

3. Job market

4. Business and industry

5. Attractiveness

6. Feature: Startups and scaleups

# Summary

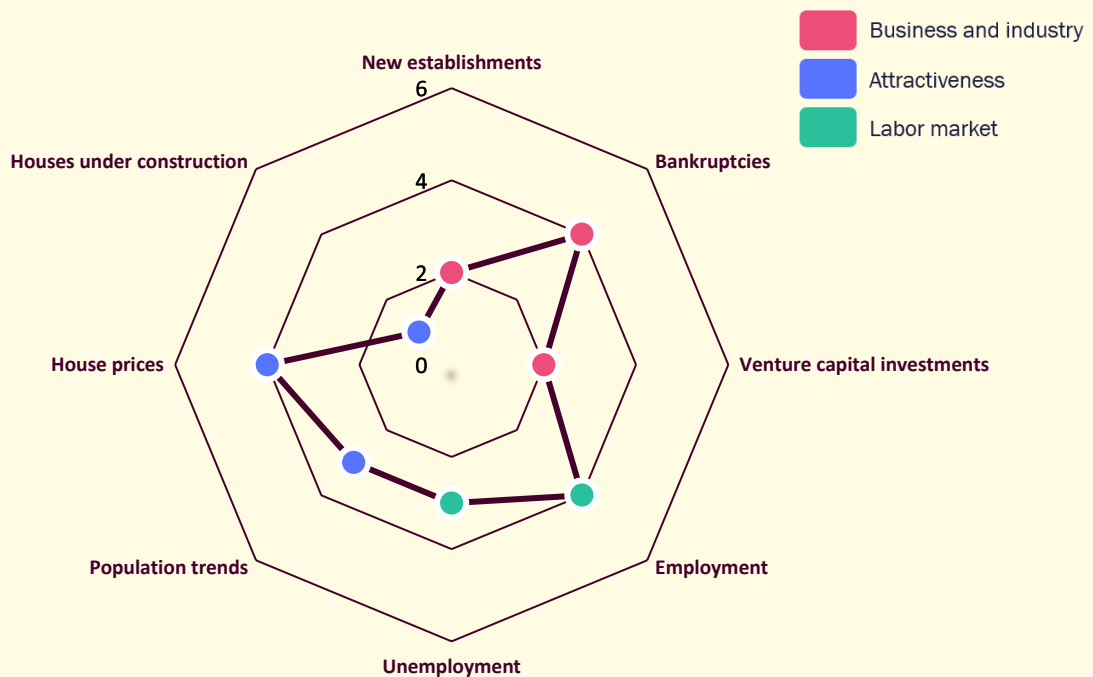
**Job Market:** So far in 2024, employment in Oslo has increased by 0.4 percent, with the public sector driving growth. There is continued growth in employment within the accommodation and food service industry, while the decline in the ICT sector persists. Although the number of employed persons has increased throughout 2024, unemployment in Oslo has remained very stable. Preliminary figures for the fourth quarter suggest an increase in the number of job vacancies, indicating a significant demand for labour in Oslo's business sector.

**Business Sector:** In 2024, the number of establishments has stabilised at a lower level, between 1,320 and 1,460 per quarter. This trend has persisted since the second quarter of 2023. So far this year, there has been a marginal decrease in the number of bankruptcies by 0.5 percent, and in the third quarter, the lowest level since the same period in 2021 was recorded. There has been a 32 percent decline in the number of investments in Oslo thus far in 2024. The amount invested has also decreased by 33 percent compared to 2023.

**Attractiveness:** The low initiation rate in Oslo persists, with 1,330 housing units initiated so far this year. The continued low initiation rate from the past two years persists into 2024, and nationwide, initiation has never been lower. Housing prices have stabilised since June, following strong growth in the first half of 2024. So far this year, Oslo has experienced a population growth of 1,300 residents, a decrease in population growth of 64 percent compared to the same period in 2023. The tourism industry shows stable growth, with a 5 percent increase in both the number of overnight stays and hotel occupancy throughout 2024.

The report is prepared by Menon Economics on behalf of Oslo Business Region. The report is published quarterly and is based on the latest available data.

**Figure 1: Overall assessment of the indicators within the themes of job market, business sector, and attractiveness. Each indicator is ranked from 1-6, where 6 is considered a very positive development.**



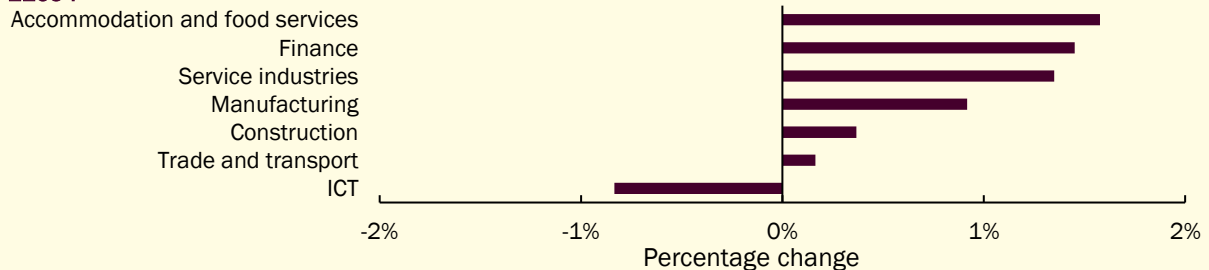
# Job market

## Employment

Employment growth in Oslo has been driven by an increase in the public sector, with a 0.4 percent rise so far in 2024. This year, employment growth has been highest in the public sector, with an increase of 1.5 percent, while the private sector has seen a rise of 0.1 percent. Compared to last year, the financial sector has experienced the largest increase in employment, at 3.3 percent, whereas construction has seen the largest decline at a considerable 4.5 percent.

Figure 2 shows the change in employment for the third quarter. The accommodation and food service industry continues to experience growth in employment, but the growth is somewhat lower than the previous quarter. The decline in employment within the ICT sector persists.

**Figure 2: Quarterly change in employment in selected private industries in Oslo third quarter 2024. Source: SSB table 11654**

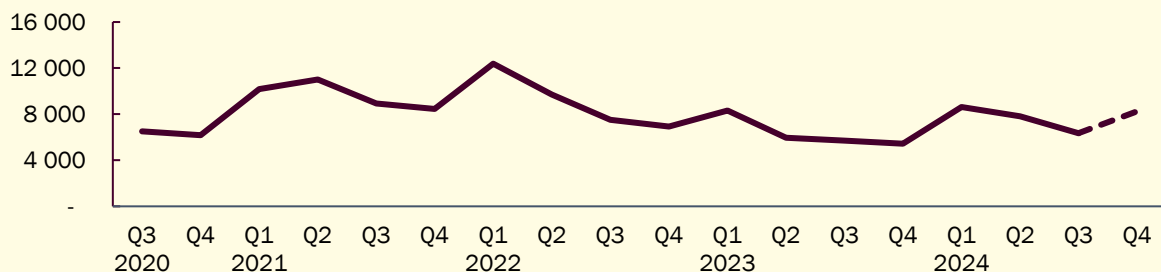


By the end of October, the unemployment rate was 2.5 percent. Although the number of employed individuals has increased during 2024, unemployment in Oslo has remained very stable. So far in 2024, unemployment has ranged from 2.5 to 2.8 percent. Compared to other Nordic capitals, Oslo has a lower unemployment rate in the third quarter, with 3.3 percent in Copenhagen, 8.3 percent in Stockholm, and 8.6 percent in Helsinki.

## Vacancies

Throughout 2024, the number of job vacancies fell by 22 percent, while preliminary figures for the fourth quarter suggest that we can expect an increase. At the end of October, there were 8 250 job vacancies, representing an increase of 33 percent compared to October 2023. This indicates that businesses in Oslo still have a significant demand for labour, following two consecutive quarters of reduced job vacancies.

**Figure 3: Number of job vacancies in Oslo, average per quarter.<sup>1</sup> Source: NAV**



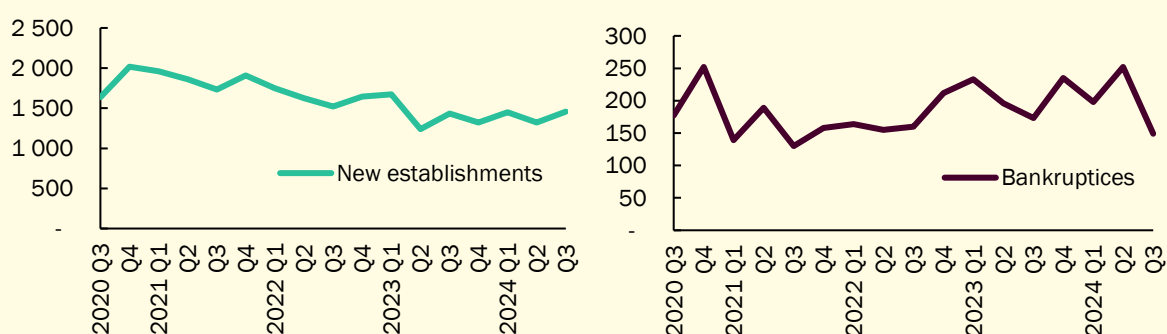
<sup>1</sup> Q4 2024 is based only on data from October and is therefore not directly comparable with Q4 of previous years.

# Business and industry

## New establishments and bankruptcies

In 2024, there has been a 3 percent decline in the number of establishments compared to 2023. The number of bankruptcies has seen a marginal decrease of 0.5 percent so far this year. Establishments in 2024 have remained stable, ranging from 1,320 to 1,460 per quarter. The low rate of establishment has persisted since the second quarter of 2023. The number of bankruptcies has varied more, with the highest number in 2024 recorded in the second quarter. The third quarter ended with 149 bankruptcies, the lowest since the same period in 2021. The decline in bankruptcies was smallest in ICT, business services, and construction.

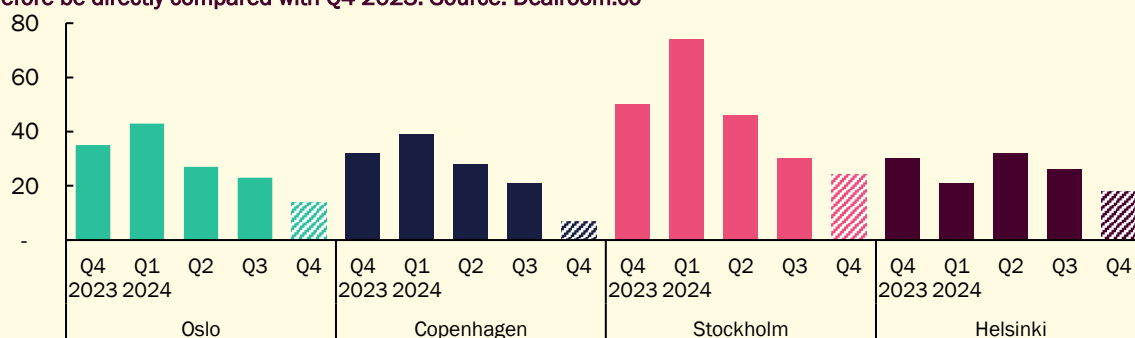
Figure 4: Number of business establishments and bankruptcies in Oslo. Source: SSB tables 08076 and 10790.



## Investments in scaleups

During 2024, the number of investments decreased by 32 percent compared to the first three quarters of 2023, and preliminary figures for the fourth quarter suggest that this trend will continue. Investment activity in Oslo has remained low in 2024, similar to the other Nordic capitals. Despite varying levels, the trend has been almost identical in Stockholm and Helsinki over the past year. Copenhagen has also experienced a decline in the number of investments, although it has been somewhat smaller at 19 percent.

Figure 5: Number of investments in scaleups in the Nordic capital regions. Data retrieved 29.11.2024. Q4 2024 cannot therefore be directly compared with Q4 2023. Source: Dealroom.co



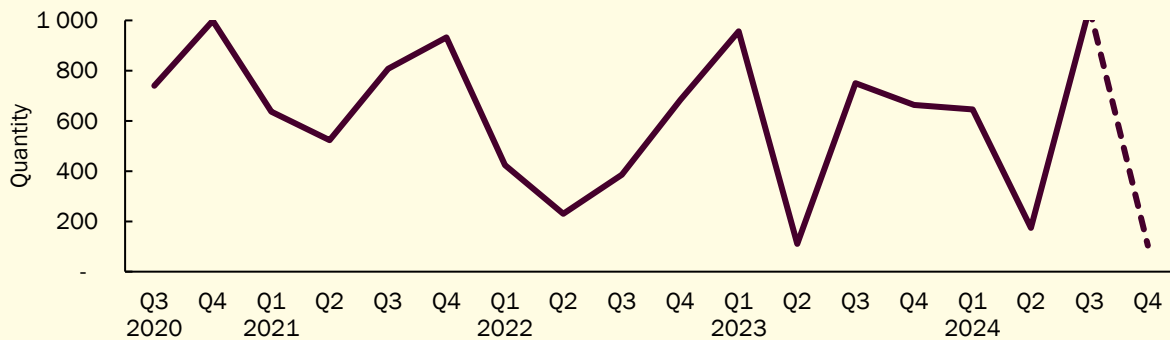
The invested amount decreased by 33 percent in 2024 compared to the previous year. By the end of the third quarter, USD 462 million had been invested in Oslo, compared to USD 692 million in the first three quarters of 2023. Investments have also declined in both Stockholm and Helsinki, while Copenhagen has experienced an increase so far this year.

# Attractiveness

## Houses under construction

The low rate of housing starts in Oslo persists, and at the beginning of the fourth quarter, the number of housing starts in Oslo plummeted. In October, only 104 new housing units were initiated in Oslo, bringing the total for 2024 so far to 1,970 units. Both the October figures and the year-to-date figures are approximately at the same level as the corresponding period in 2023. Nationally, it is highlighted that the initiation of new housing in October is at a record low, and the Housing Producers' Association has never measured such a low twelve-month initiation of new housing since 1999.<sup>2</sup>

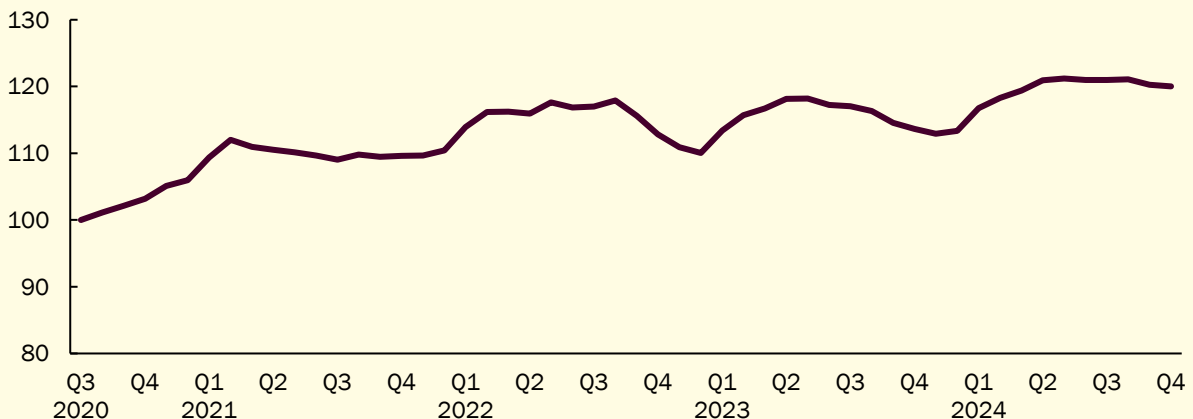
Figure 6: Number of initiated housing units in Oslo.<sup>3</sup> Source: SSB table 03723



## Development in house prices

Housing prices have stabilised at a high level over the past six months. Housing prices in Oslo have settled since June, following a significant increase from January to June, and now appear to have stabilised. In October, prices rose by 0.2 percent and the square metre price in Oslo was NOK 94,300. This corresponds to an increase of 6 percent compared to October 2023.

Figure 7: Housing Price Development in Oslo. Indexed (Q3 2020 = 100). Source: Eiendom Norge, Eiendomsverdi AS, and Finn.no. Processed by Krogsvæn.



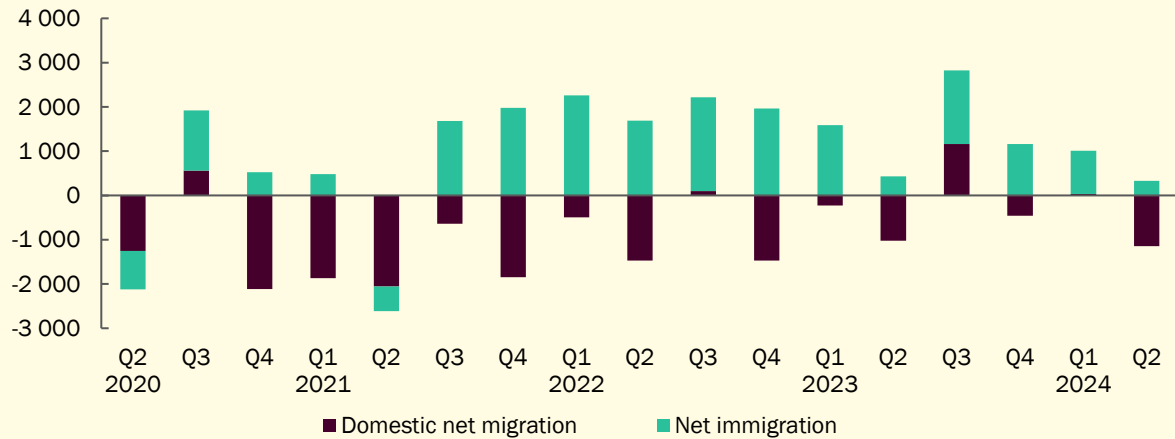
<sup>2</sup> <https://www.dn.no/eiendom/boligbygging/salget-av-nye-boliger-okte-med-21-prosent-i-oktober/2-1-1739379>

<sup>3</sup> Q4 2024 is based only on data from October and is therefore not directly comparable with Q4 of previous years.

## Population trends

Population growth in Oslo has been 64 percent lower in 2024 compared to the previous year. So far this year, there has been a net migration of 1,280 people. This represents a 64 percent decline in population growth compared to the same period last year, when net migration was 3,600 people.

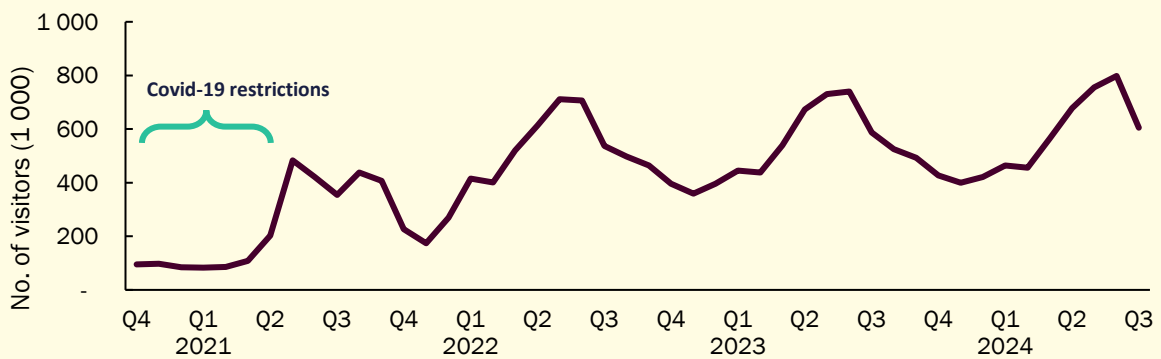
Figure 8: Quarterly domestic net migration and net immigration in Oslo.<sup>4</sup> Source: SSB table 01222



## Visitors

Oslo's tourism sector continues to exhibit stable underlying growth. In September, there were 604,600 overnight stays in Oslo, with hotel room occupancy at 80 percent. Both the number of overnight stays and hotel occupancy have increased by 5 percent during 2024, indicating that the underlying trend of moderate growth in the number of visitors to Oslo persists.

Figure 9: Number of overnight stays in Oslo. Source: SSB table 14162



<sup>4</sup> Net immigration here refers to immigration minus emigration during the period. Net internal migration here refers to migration from other parts of Norway minus migration from Oslo to other parts of Norway.

# Startups and scaleups

In 2023, we identified 2,890 startups in the Oslo region, a decrease of 1.6 percent from the previous year. The startups contributed to a value creation of NOK 6.8 billion and employed 9,970 workers. There were 269 scaleups in the Oslo region in 2023, an increase of 37 percent from 2022. The scaleups have a value creation of NOK 16.6 billion and employ 14,200 people. Over the past decade, startups and scaleups have accounted for 15 percent of net job creation in the private sector in the Oslo region.

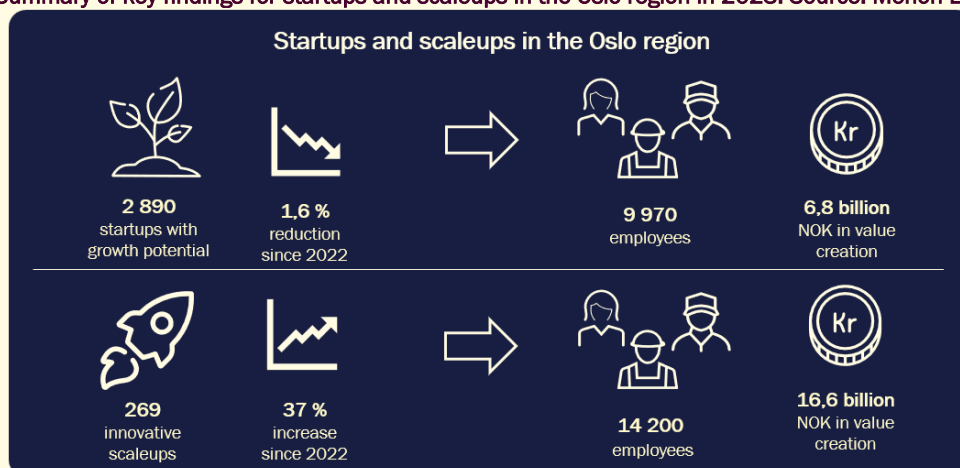
Here we present findings from an annual survey of the development of startups and scaleups and their contribution to value creation and employment. Innovative startups and scaleups that succeed in expanding are a central driving force for innovation and contribute to shaping the future Norwegian business sector.

In total, startups and scaleups comprise 3 160 businesses in the Oslo region in 2023. These businesses employed 24 200 people, accounting for approximately 4 percent of jobs in the Oslo region. The number of employees has more than doubled since 2011, illustrating their significant contribution to job creation.

**Startups and scaleups in the Oslo region achieved a total value creation of NOK 23.4 billion in 2023.**

In the last decade, startups and scaleups have created a total of 14 100 jobs. In comparison, a total of 95 500 jobs have been established in the private sector in the Oslo region over the past decade. In other words, startups and scaleups account for approximately 15 percent of net job creation in the private sector in the region. In comparison, 579 000 people work in the private sector in the Oslo region, constituting 70 percent of total employment.<sup>5</sup> The industries employing the most in the private sector in Oslo include IT services, trade, food service, and construction activities.

Figure 10: Summary of key findings for startups and scaleups in the Oslo region in 2023. Source: Menon Economics



## The contribution of startups to growth

In 2023, we identified a total of 2,890 startups in the Oslo region, representing a decrease of 1.6 percent from 2022. These companies contribute to a total value creation of NOK 6.8 billion and employ 9,970 people. Among these companies, 675 are identified as either capital and R&D intensive or J-curve companies and

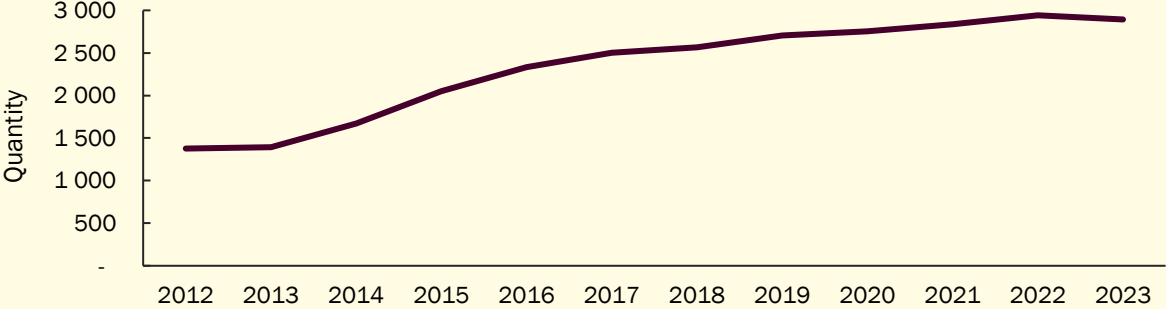
<sup>5</sup> The remaining 30 percent work in the public sector or in publicly owned companies.



are considered to have significant growth potential. Over the past five years, the number of startups has remained relatively stable.

Number of startups in the Oslo region has increased significantly over the past ten years, reaching 2,890 startups in 2023. Most of the growth occurred during the period 2013-2017. The figure below shows the development in the number of startups over time.<sup>6</sup>

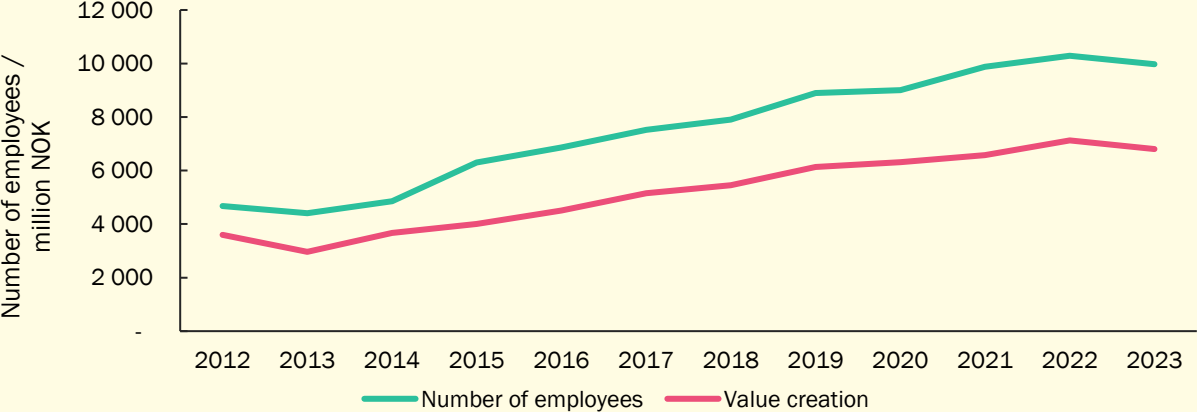
**Figure 11: Development in the number of startups in the Oslo region. Source: Menon Economics**



Between 2012 and 2022, the number of companies grew steadily, peaking at 2,940 in 2022. In 2023, however, there was a slight decline to 2,890 startups. This plateau in startup growth may be due to a high rate of new establishment before and during the pandemic, followed by a tight labour market with low unemployment in 2022 and 2023. Low unemployment has increased the availability of stable jobs in established companies, leading to wage pressure.

As the number of startups has grown, there has also been significant growth in employment and value creation. The figure below shows the development in the number of employed individuals and value creation<sup>7</sup> in these companies.

**Figure 12: Development in value creation and employment in startup companies in the Oslo region.<sup>8</sup> Source: Menon Economics**



<sup>6</sup> Due to methodological changes, the number of startup companies is not directly comparable with previous surveys of startups in the Oslo region. The number has increased by approximately 50 percent, partly because we now include companies that are majority-owned by other companies, in other words, companies that have a parent company.

<sup>7</sup> The value creation in a company is defined as the sum of wage costs and the company's operating profit, adjusted for depreciation and write-downs. In other words, value creation can be understood as the sum of the company's returns that go to employees (wages), capital owners (profit), creditors (interest), and the government and municipalities (taxes). Alternatively, it can be understood as revenue minus the operating costs associated with production. This is also known as gross product or GDP. Value creation is one of the most central economic measures because it forms the basis for welfare through consumption and taxes.

<sup>8</sup> In 2015, the method for reporting registry-based employment changed. This led to a jump in employment figures from 2014 to 2015. As a result, the numbers before and after 2015 are not directly comparable. However, registry-based employment figures are adjusted after 2015, but this only partially compensates for the increase due to the change in the reporting regime.

In 2023, startups employed 9,970 people, a 3 percent decrease from the previous year, reflecting a slight drop in the number of startups. However, over time, employment in startups has grown significantly, doubling between 2013 and 2019. Since 2019, it has increased by an additional 12 percent.

In 2023, value creation was NOK 6.8 billion, a decrease of 4.5 percent from the previous year. The decline in value creation coincides with the reduction in the number of companies and employees. Value creation in startups has largely grown in line with employment. From 2013 to 2023, value creation has more than doubled with a growth of 130 percent, demonstrating that startups increasingly contribute to economic activity in the region.

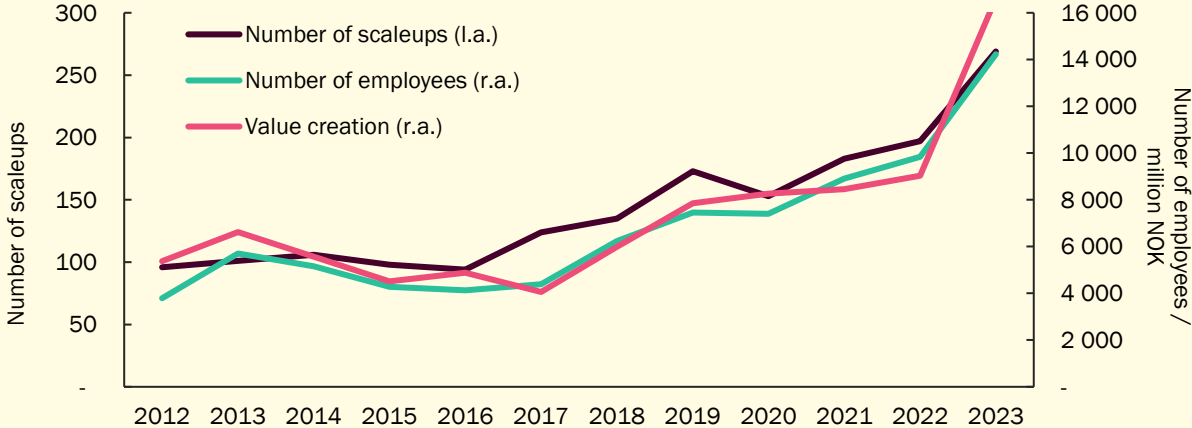
## Contribution of scaleups to growth

We have identified 269 scaleups in 2023, an increase of 37 percent from 2022. The scaleups employ a total of 14,200 people and contribute with value creation of 16.6 billion NOK, which constitutes just under 2 percent of value creation in the private sector in the Oslo region. Most identified startups and scaleups are located in Oslo. Scaleups are particularly concentrated in Oslo, reflecting the city's role as a hub for innovation and growth in the region and Norway.

The number of scaleups has gradually increased over the past decade, but in 2023, it rose significantly from 197 to 269 companies. The marked growth in the number of scaleups is partly due to many companies experiencing challenging economic conditions during the pandemic, which led to little or no growth for many companies. The pandemic, combined with the increase in turnover and/or employment in many companies from 2020 to 2023, has resulted in more businesses now qualifying as scaleups for the first time.<sup>9</sup>

Many companies began their growth phase in 2020 and became scaleups for the first time in 2023. Among these scaleups are Strise in fintech, which offers automated anti-money laundering solutions for businesses, the proptech company Unloc, and the robotics company Wheel.me. Figure 12 highlights this significant leap, along with the development in employee numbers and value creation within these companies.

**Figure 13: Development in value creation and employment in scaleups in the Oslo region. Source: Menon Economics**

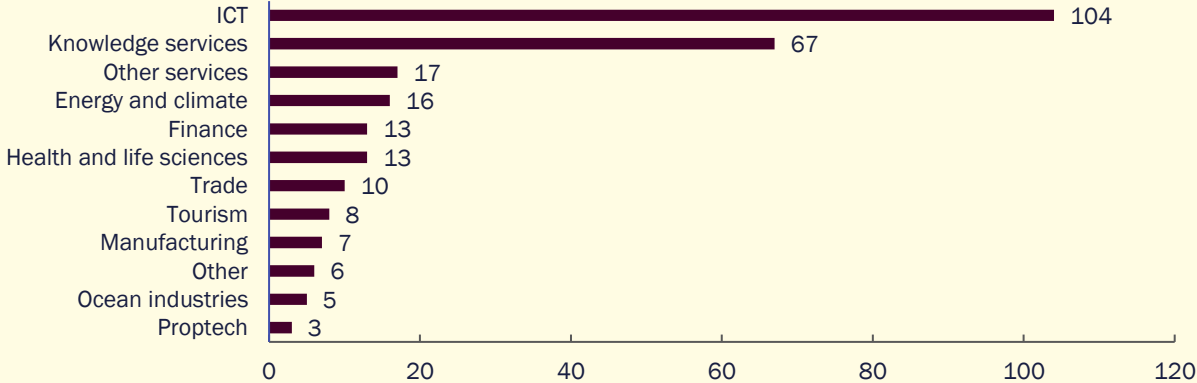


From 2016 to 2019, there was significant growth in the number of scaleups and their activities. Over three years, the number of scaleups increased by 84 percent. However, growth slowed from 2019 to 2022, partly due to the pandemic. In 2023, however, the number of scaleups made a leap. The number of employees and value creation in scaleups increased even more than the number of companies. The number of employees in a scaleup rose by 45 percent to 14,300, while value creation increased by 84 percent to NOK 16.6 billion.

<sup>9</sup> A scaleup must have experienced an annual growth of at least 20 percent over a three-year period.

Furthermore, we have examined how scaleups are distributed across industries, as shown in the figure below. Most scaleups are found within ICT with 104, constituting 39 percent of the companies. Additionally, there are 67 scaleups within knowledge services, followed by 17 within other service activities.

**Figure 14: Number of scaleups by industry. Source: Menon Economics**



We have identified 13 scaleups within health and life sciences and 16 within energy and climate technology. These are capital-intensive businesses and focus areas for Oslo Business Region and Oslo Municipality, as many of the companies address important societal challenges related to demographics and green transition. Among companies in health and life sciences, there are many within biotech making significant investments in R&D in a pre-commercial phase. Furthermore, 13 scaleups within finance were identified in 2023.



**os!o**  
Oslo Business Region