



Oslo Outlook

March 2024



Contents

2. Summary

3. Job market

4. Business and industry

6. Attractiveness

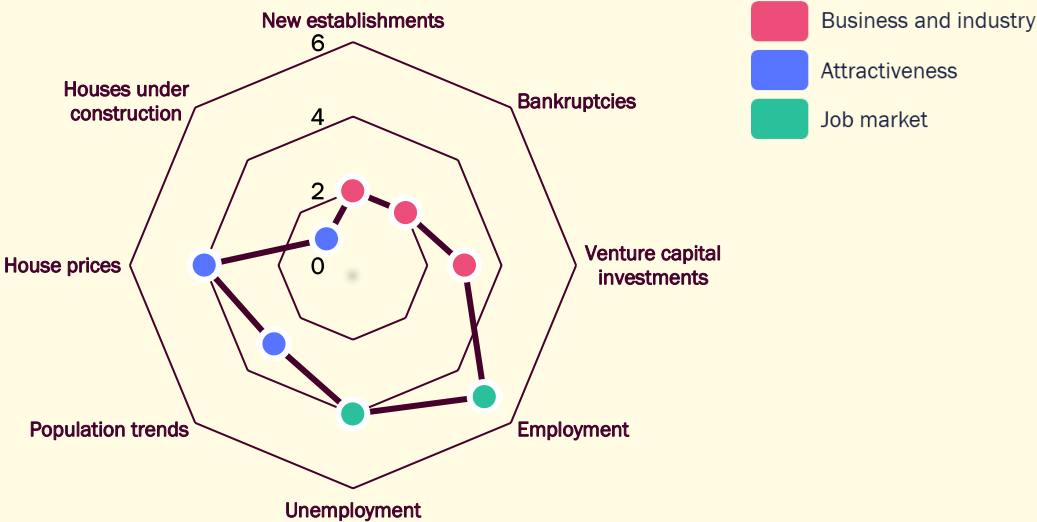
Summary

Job market in Oslo: Employment continues to grow in Oslo. Never has employment been so high, in both the public and private sectors. Both the ICT industry and service sectors have experienced an increase in their employment, while the manufacturing has reduced their employment by as much as 4 percent.

Business in Oslo: The business sector in Oslo is characterized by high interest rates and lower access to capital. In 2023, the rate of establishment has fallen, while the number of bankruptcies has increased. Investment activity in Oslo remains low in the first few months of 2024, after the invested amount reduced by 50 percent from 2022 to 2023.

City Attractiveness: Housing prices have risen significantly in the first two months of 2024 and are now almost at the level of the two previous peaks in August 2022 and May 2023.

Figure 1: Overall assessment of the indicators within the areas of business and industry, attractiveness, and job market. Each indicator is ranked from 1-6, where 6 is assessed as a very positive development.

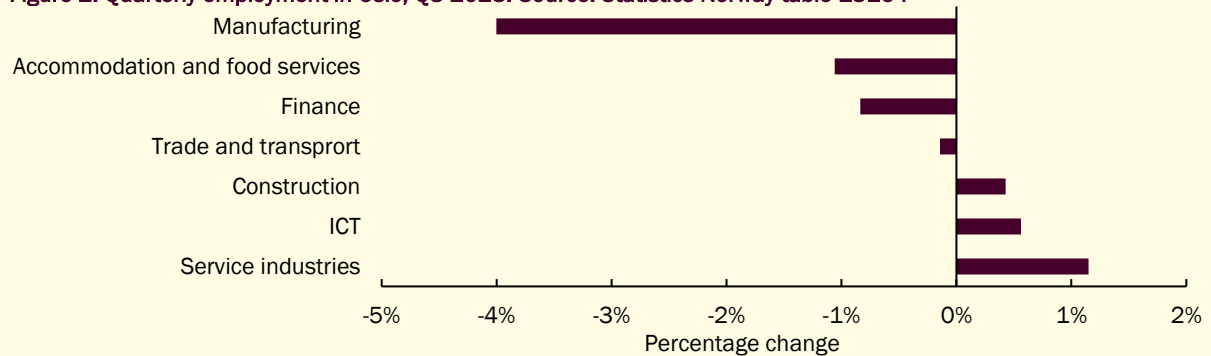


Job market

Employment

The private sector experienced an employment growth of 0.4 percent in the fourth quarter of 2023, marking growth for the third consecutive quarter, despite rising interest rates. **Employment in both the private and public sectors in Oslo has never been higher.** The growth in employment is primarily due to the service industries having an increase in employment of 1.1 percent. A result of the service industries being by far largest sector measured in number of employees. The industry experienced a significant drop in employment, with a reduction of 4 percent.

Figure 2: Quarterly employment in Oslo, Q3 2023. Source: Statistics Norway table 13164

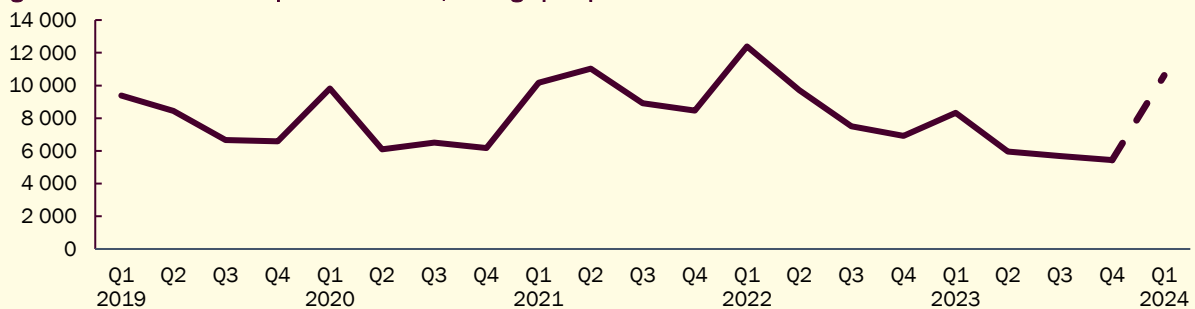


Unemployment in Oslo has remained low. Throughout the fourth quarter of 2023, unemployment was stable at 2.4 percent in Oslo, but increased moderately in January to 2.6 percent. Unemployment is still at a lower level in Oslo than in the other Nordic capitals.

Vacancies

The number of job vacancies in Oslo fell in the fourth quarter of 2023, before increasing significantly in January 2024. By the end of January, there were 10,620 job vacancies, which is higher than in January 2023. Although the number of job vacancies has generally been low in 2023, the increase in January suggests that parts of the business sector are experiencing high demand and a need for labor entering 2024. **More job vacancies and stable unemployment mean that in January, there was only one unemployed person per job vacancy, down from 1.5 the previous quarter.**

Figure 3: Number of vacant positions in Oslo, average per quarter.¹ Source: NAV



¹ Q1 2024 is only based on data from January and therefore not directly comparable with Q1 of previous years.

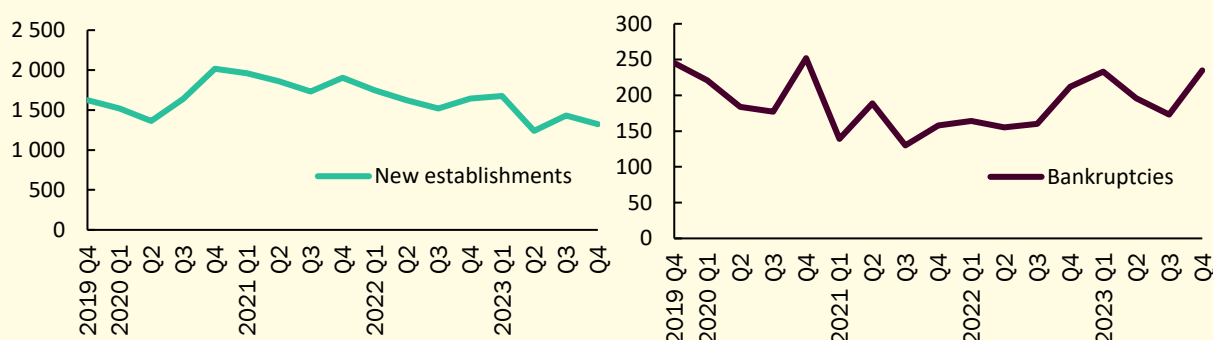
Business and industry

New establishments and bankruptcies

The number of new establishments is declining, while the number of bankruptcies is increasing. 1,323 companies were established in Oslo in the fourth quarter of 2023, a decrease of 8 percent from the previous quarter. The rate of establishment is also low relative to historical figures for Oslo. The majority of companies were established within ICT services and property management.

225 companies were declared bankrupt in Oslo in the fourth quarter of 2023. This represents an increase of 36% from the previous quarter and is close to the historical peak in 2020. The bankrupt companies are mainly in the construction and civil engineering businesses, retail trade, and accommodation and food service activities.

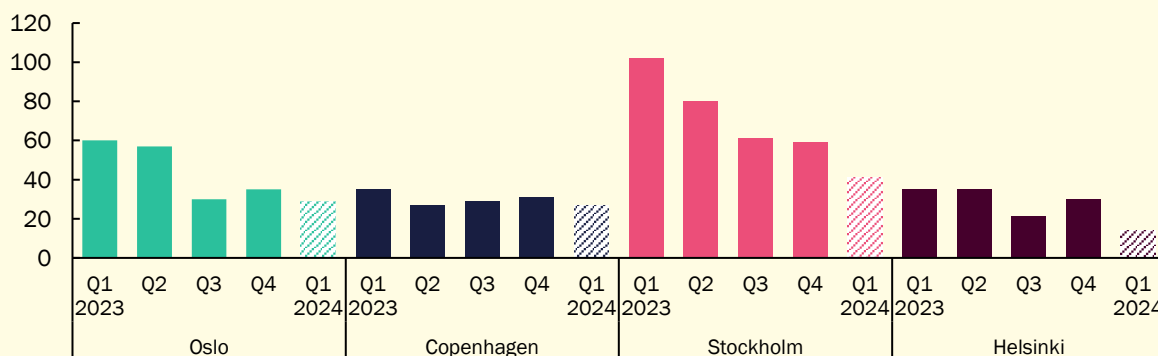
Figure 4: Number of new establishments and bankruptcies in Oslo. Source: Statistics Norway table 08076 and 10790



Investments in scale-ups

Investment activity in both Oslo and the Nordic region remains low. So far in the first quarter of 2024, the number of investments in Oslo has remained low. The number of investments in Oslo is now on level with Copenhagen, which previously had a lower number of investments than Oslo. The investment level for the Nordic region has stabilized in the fourth quarter of 2023 and the beginning of 2024, after a consistent decline in activity in 2023.

Figure 5: Number of investments in scale-ups in the Nordic capital regions. Data are from 1.3.2023, Q1 2024 can thus not be directly compared with Q4 2023. Source: Dealroom.co



In 2023, the total amount invested in growth companies in Oslo was just over half of the amount in 2022. Copenhagen and Stockholm did not experience a similar decline in the total invested amount and remained at the same level in 2023 as in 2022. Helsinki, on the other hand, experienced a larger drop in the invested amount than Oslo, with a reduction of two-thirds from 2022 to 2023.

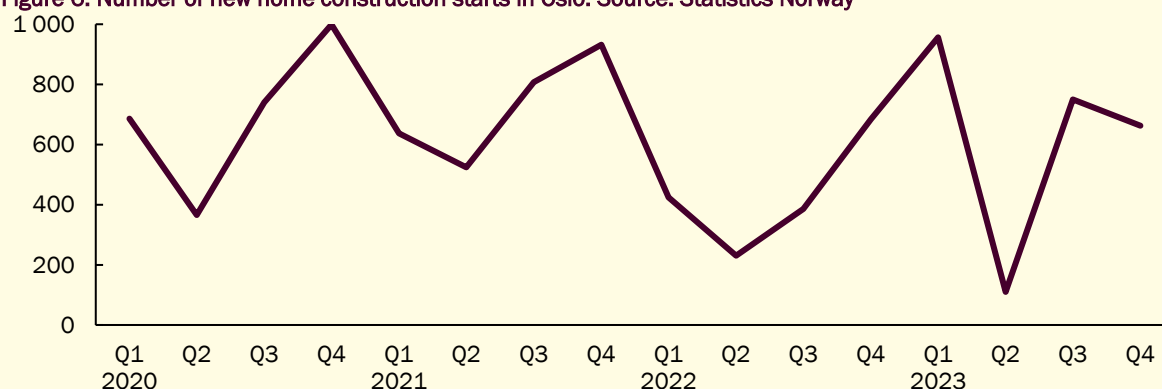
In the first few months of 2024, investments in Oslo have increased significantly. The total amount invested so far in 2024 exceeds any single quarter in 2023.

Attractiveness

Houses under construction

The number of new housing units initiated has been low over the last two years, compared to 2020 and 2021. Weak development in housing prices in the fourth quarter, combined with more expensive funding and price increases, has led to the initiation of few housing projects and has created a challenging situation for the construction industry.²³ This is also reflected in the beginning of 2024, where only 27 houses were initiated in January.

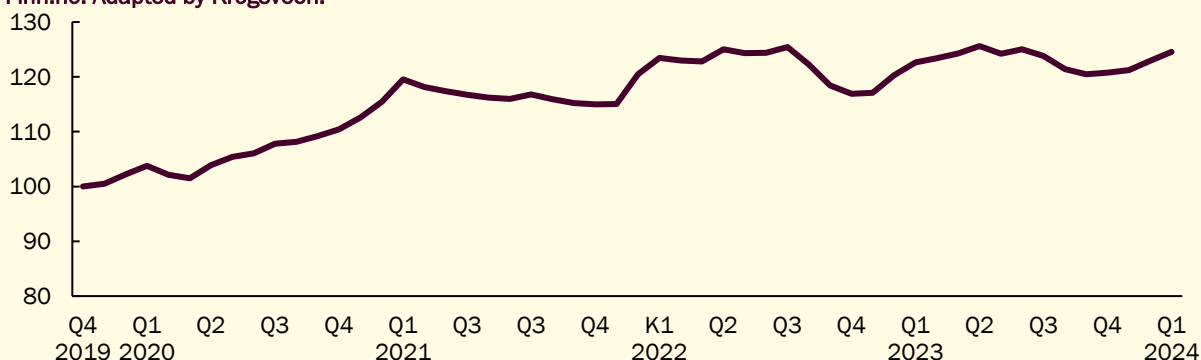
Figure 6: Number of new home construction starts in Oslo. Source: Statistics Norway



Development in house prices

In the first two months of 2024, housing prices have risen by a total of 2.8 percent. **Housing prices are now only marginally lower than the last two peaks in August 2022 and May 2023.** In addition to the normal seasonal variation, the growth so far in 2024 can likely be attributed to optimism related to signals from Norges Bank that the interest rate peak may soon be reached.

Figure 7: House price development in Oslo. Indexed (Q3 2019 = 100). Source: Eiendom Norge, Eiendomsverdi AS and Finn.no. Adapted by Krogsveen.



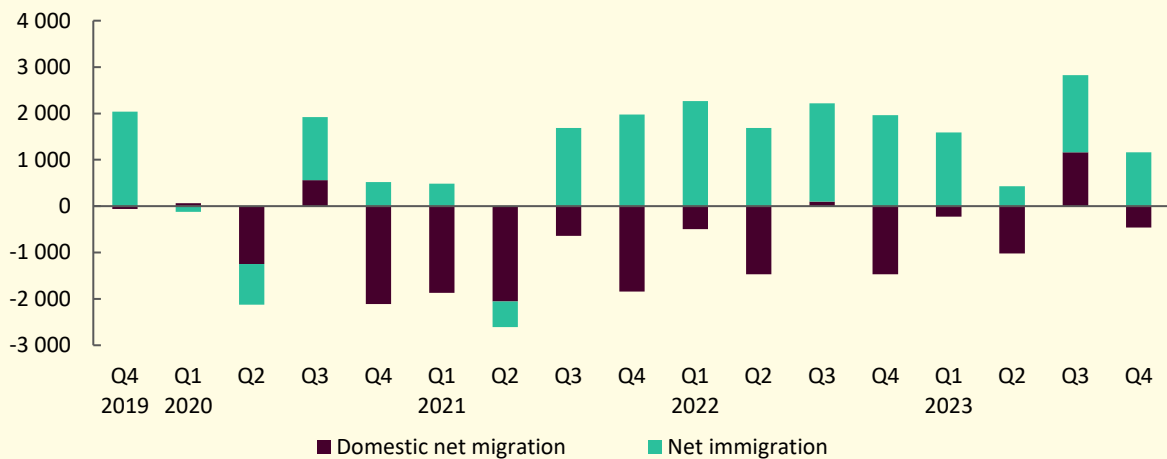
² [Bråstopp i boligbyggingen gir rentekutt neste år – SSB](#)

³ [Frykt for konkursbølge for boligbyggere: – Rentehevingene er drepen – E24](#)

Population trends

The population in Oslo is growing due to net immigration. In the fourth quarter of 2023, Oslo experienced population growth with a net increase of 710 people, driven by immigration. Net domestic out-migration contributed to moderate the population growth. In the fourth quarter of 2023, Oslo experienced a net domestic out-migration of 459 people.

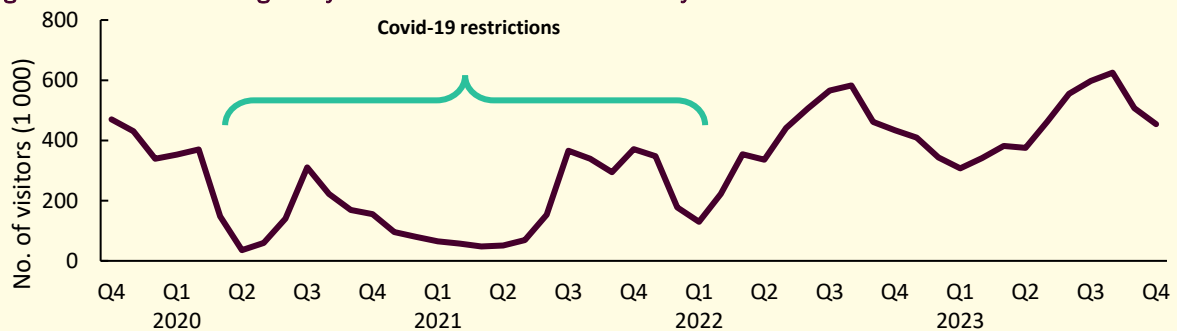
Figure 8: Quarterly domestic net migration and net immigration to Oslo.⁴ Source: Statistics Norway table 01222



Visitors

In December 2023, the number of overnight stays in Oslo was 365,000. Visitor numbers in Oslo are usually highest in the summer and typically decline in the fourth quarter. Compared to December 2022, Oslo has experienced an increase in overnight stays of 6 percent, indicating that there is an underlying growth compared to 2022.

Figure 9: Number of overnight stays in Oslo. Source: Statistics Norway table 08403



⁴ Net immigration is here defined as immigration minus emigration during the period. Net domestic migration is migration from other parts of Norway to Oslo minus migration from Oslo to other parts of Norway.



os!o
Oslo Business Region