Oslo Outlook
September 2025

osloeconomics

Contents

Summary

Job market

Overall, there has been a reduction in the level of labour market tightness over the second quarter of 2025. The development can primarily be attributed to the reduction in the number of vacant positions (-9.6%), exceeding the reduction in the number of registered unemployed persons (-3.3%) over the first half of 2025. This indicates that competition for workers has fallen. This development in the level of job market tightness contributes to retard the development in the job market category shown in figures 1 and 2, in spite of otherwise positive developments.

Business

In the second quarter of 2025 there has been an observed drop in business formation of 16,8 percent relative to the first quarter, and the number of newly established businesses is at its lowest level since 2018. In the venture capital (VC) market, the number of investment rounds has stabilised, but at a historically low level. In 2025Q2 there were 17 investment rounds in the VC sector relative to a historic average of 28 rounds per quarter. Primarily due to this low level of VC activity, the indexed value of the business category continues to trail its historical reference point (Figure 1) and has had a negative quarterly development (Figure 2).

Attractiveness

The Oslo region experienced a decline in attractiveness in the second quarter of 2025. This development was driven primarily by an annualized drop in net migration of 91 percent. However, the decline was partly offset by an improved house price-to-income ratio and a 2.6% year-on-year increase in overnight stays in the region. Net migration in Q2 2025 reached its lowest level since 2014, excluding the pandemic years of 2020–2021.

Figure 1: Historical development within key categories, indexed for 2023Q1 = 100
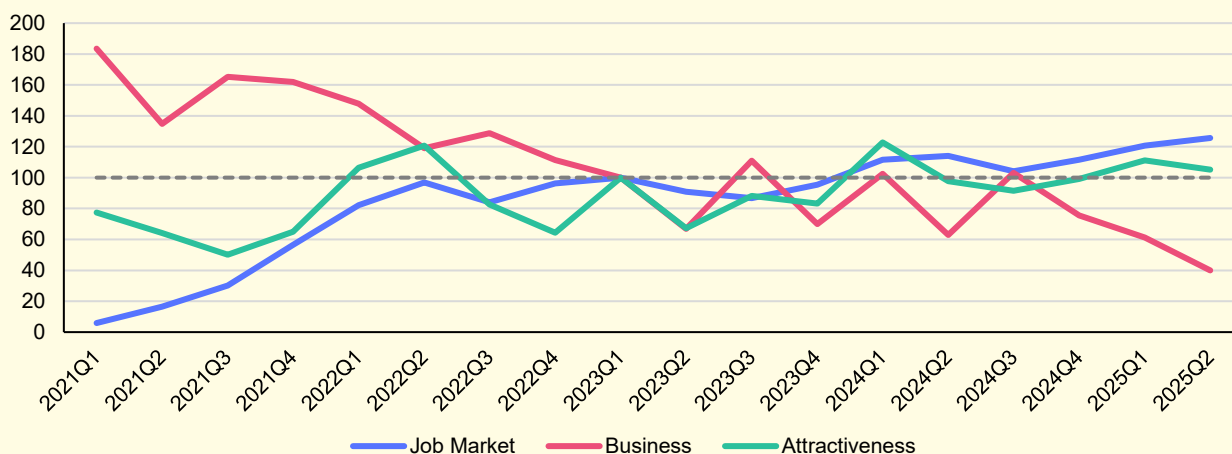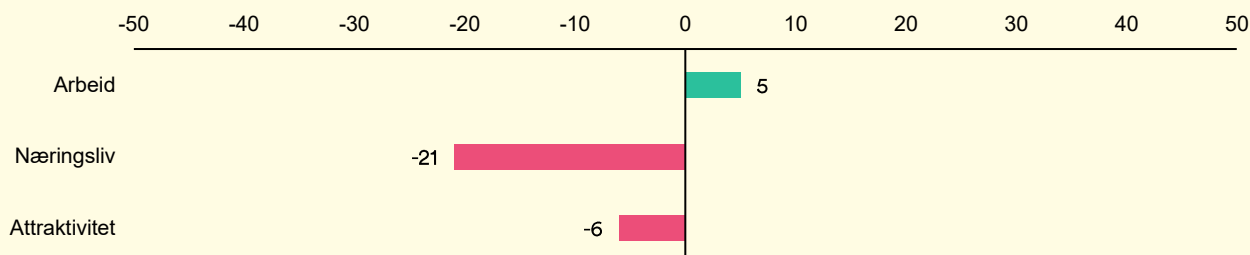

Figure 2: Development in index values, 2025Q1 vs. 2024Q4

For a methodological description, see Oslo Outlook 2024Q4, Appendix A. A line above the dashed line in figure 1 indicates that the indicators in this category have shown a more positive development relative to historical levels, with 2023 as the reference point.

Oslo Outlook

ON THE REPORT

"The purpose of this analysis is to provide a comprehensive overview of Oslo's economic development for decisionmakers, investors, and other stakeholders"
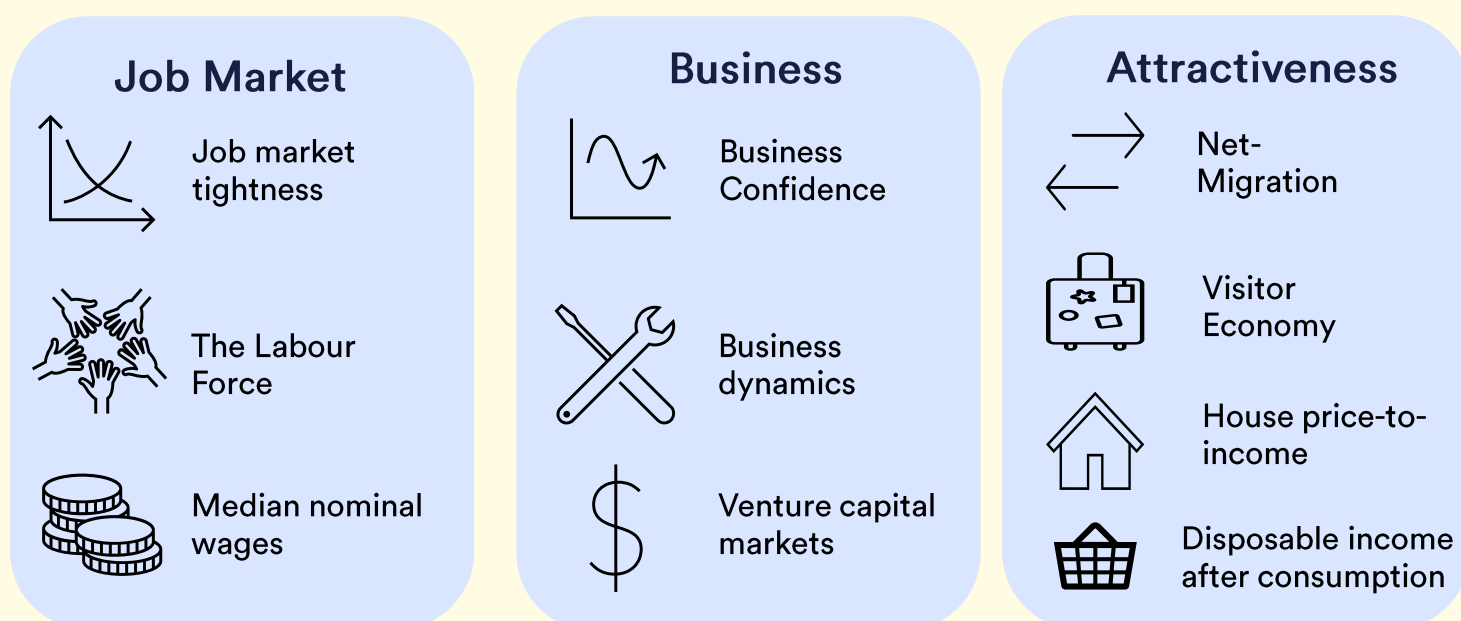
Oslo Outlook

The purpose of this analysis is to provide a comprehensive overview of Oslo's economic development for decision-makers, investors, and other stakeholders. The analysis is based on themes and indicators that offer insights into the economic development of the Oslo region and are intended to highlight the region's attractiveness and competitiveness, both nationally and internationally.

The analysis is centred around the themes of: "Labor Market," "Business," and "Attractiveness," and analysed through a number of indicators which influence each of these categories (Figure 3). The selected indicators have been chosen based on their ability to best illustrate the development trends within the three categories. However, it is important to note that the inclusion of specific indicators may impact the results for the Oslo region in each of these categories.

In addition to reporting the quarterly developments in these indicators, we analyse the key developments and set them in relation to the general trends of the Norwegian and Oslo Business cycle. In computing the categorical scores, we incorporated the following indicators.

Figure 3: Themes and underlying key factors in Oslo Outlook 2025

Job Market	Business	Attractiveness
Job market tightness	Business Confidence	Net-Migration
The Labour Force	Business dynamics	Visitor Economy
Median nominal wages	Venture capital markets	House price-to-income
		Disposable income after consumption

JOB MARKET

ON JOB MARET TIGHTNESS:
"The number of unemployed persons per vacant position has increased in the second quarter indicating a lower level of competition for workers"
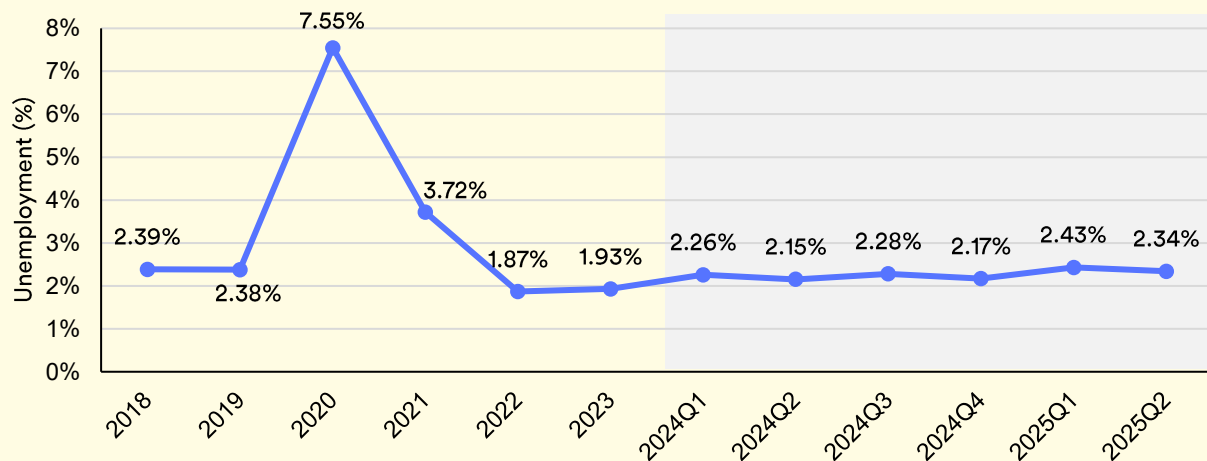
Job Market

Unemployment

The recorded unemployment rate in the Oslo region reached a level of 2.34 percent, down from 2.43 percent in the first quarter of 2025. The unemployment rate is, however, somewhat higher than what was observed a year ago in 2024Q2 (2.15%).

Figur 4: Rate of unemployment

Note: The unemployment rate is calculated as the number of registered unemployed persons divided by the labour force. Quarterly estimates of the labour force are calculated as the sum of all unemployed persons and registered employment relationships, based on the sources specified below. The figures for 2018–2023 are annual values based on the average of quarterly data.

Sources:
The number of unemployed persons is reported by NAV.
The number of people in active employment is reported by Statistics Norway (SSB), Table 11657.

Job Market

Job market tightness

Job market tightness is measured as the ratio between the number of vacant positions and registered unemployed persons. The measure is chosen as it reflects the equilibrium dynamics between the supply and demand for workers in the region.

In the previous issue of this report our preliminary data indicated that the labour market would continue to tighten into the second quarter. Based on our final published results, these findings are revised to reflect a fall in the level of labour market tightness during the second quarter of 2025 (Figure 5). The development is driven by increases to unemployment figures outpacing growth in vacancy creation (Figure 6). Together, the developments in these two variables indicates that there has been a reduction in competition for workers. From the first to the second quarter, the number of unemployed persons has fallen with 3.4 percent, while vacancy creation has fallen by 9.7 percent.

Our preliminary findings for 2025Q3 indicates that the level of job market tightness will continue to fall and is on may reach its lowest level since the Covid pandemic disruptions.

Figure 5: Job market tightness
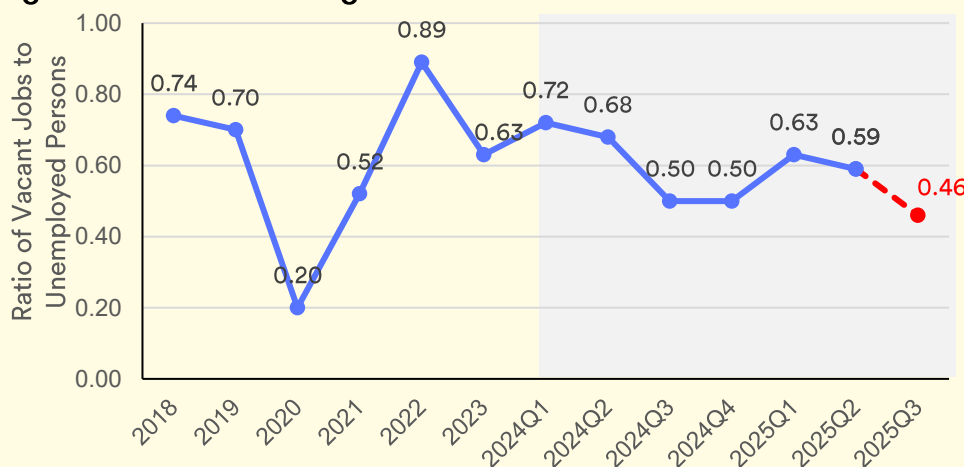
Source: The indicator, developed by Oslo Economics, measures the ratio between the number of job vacancies and the number of unemployed individuals. Data on job vacancies and unemployment at the municipal level are sourced from NAV. The number of unemployed is defined as individuals who are completely without work.

Note that the figures for 2018–2023 are annual values based on the average of quarterly data. 2025Q2 data is preliminary.

### Figure 6: Number of unemployed persons and vacant jobs
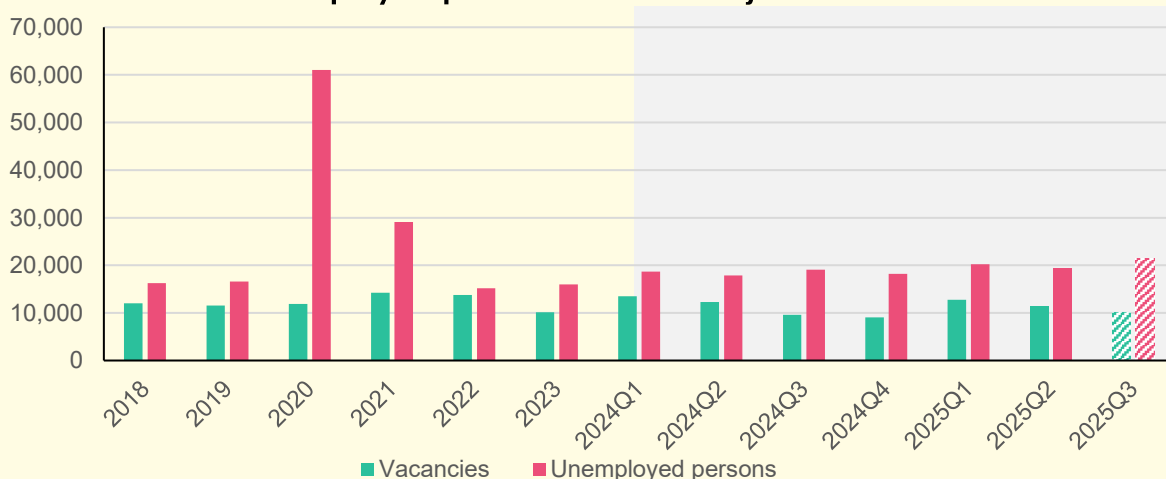
Source: NAV. Note that the figures for 2018–2023 are annual values based on the average of quarterly data.

Median nominal wages[1]

In the first half of 2025, the median wage in the region increased by about 1.6 percent a quarter. If this development continues into the second half of the year, Oslo will experience an annualised growth in nominal wages of 6.5 percent. This is above the long run average growth rate of 3.5% annualised growth rate, something which can be largely attributed to the above average rate of inflation in the economy.

Figure 7: Median nominal wages
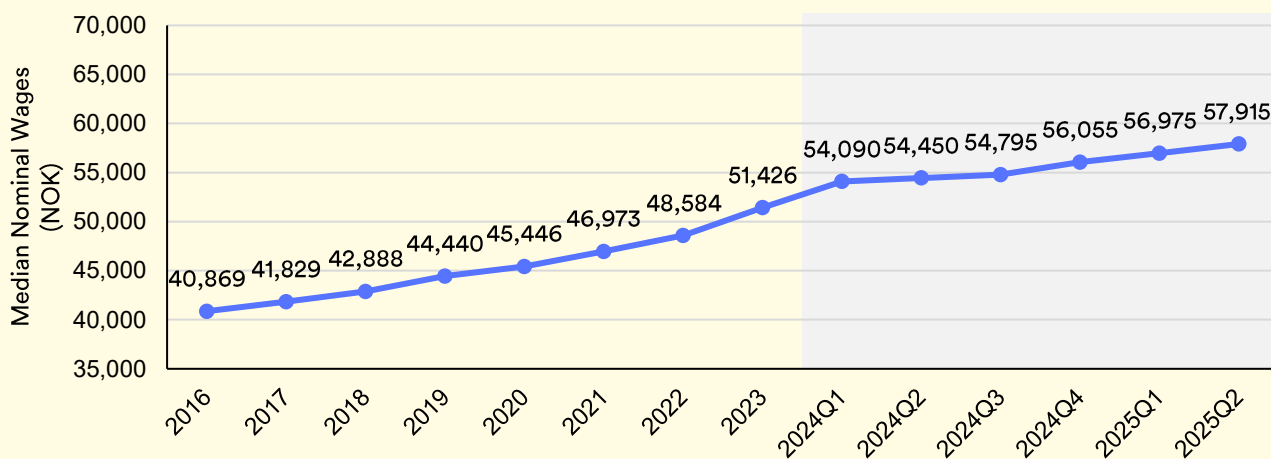
Source: Statistics Norway, table 11652. Note that the figures for 2016–2023 are annual values based on the average of quarterly data.

[1] Nominal median income is a measure of what a "typical" person earns before adjusting for price increases (inflation). "Median" means that half of the population earns less than this amount, and half earns more.

Business

ON BUSINESS:

"The number of investment rounds in the venture capital market has stabilised at a historically low level in the second quarter"

Business

Business confidence

Norges Bank conducts quarterly surveys on business confidence, where a representative sample of firms to evaluate future demand, profitability and expectations. The indicator is normalised such that a zero value represents an economy growing along its trend path, with neither a heightened danger of a recession or an overheating economy.

Business confidence in the Oslo region has moved from a marginally positive sentiment level at the start of the year, to a situation where the economy is operating "normally" in the second quarter of the year (Figure 8).

Figure 8: Private sector expectations
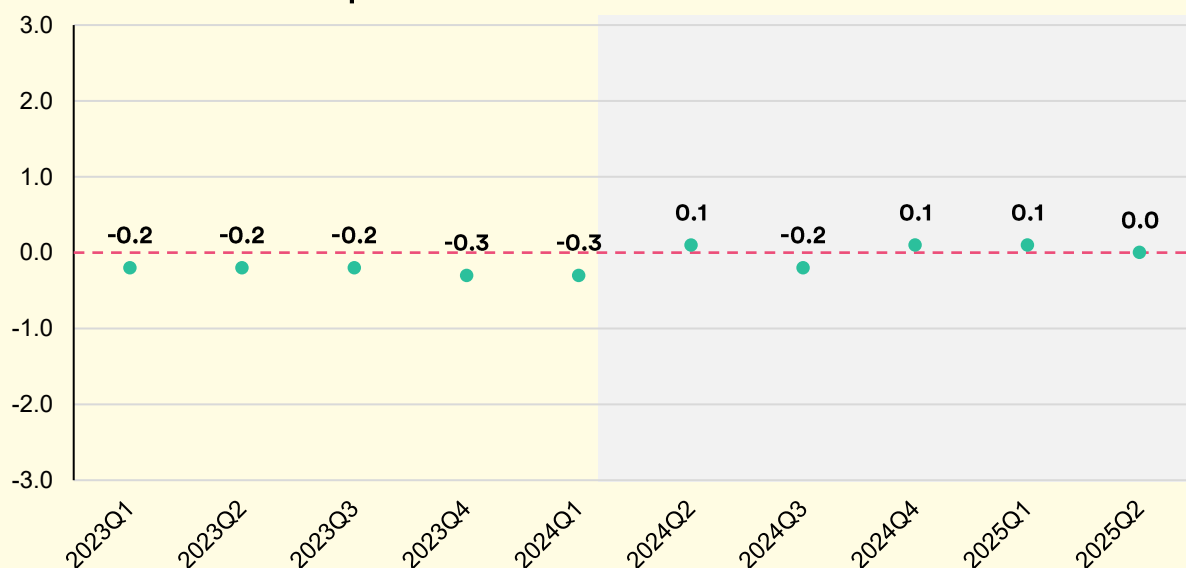
Source: Norges Bank's Regional Network. Note that the values on the Y-axis are normalised so that a value of 0 indicates that expectations in the economy are developing normally. Firms answer the following question: On a scale from –3 to +3, how would you quantify the situation in your company, in light of factors such as demand, profitability and prospects? Assume that 0 represents a normal situation.

Firm dynamics

From the first quarter of 2024 to the first quarter of 2025 there was an increase in the number of newly established businesses, both measured in absolute numbers (Figure 10) and as a share of total registered businesses (Figure 9). From the first to the second quarter, the developments have, however, reversed. The number of newly established businesses fell from 5 621 to 4 735, a reduction of 16.8 percent and reaching its lowest value since 2018 (Figure 10), and represents a reduction of 5.4 to 4.5 percent when measured as a percentage of total registered businesses (Figure 9).

Meanwhile, the number of registered bankruptcies has been relatively stable over the entire time period, with just shy of 400 recorded in the first two quarters of 2025.

Figure 9: Newly established businesses as a percentage of total firms.
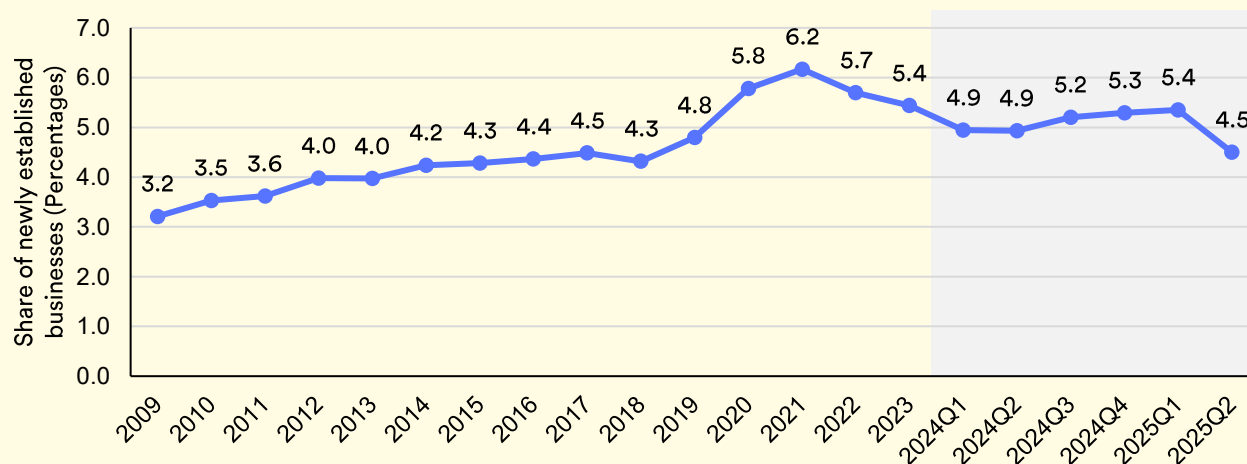
Source: Indicator developed by Oslo Economics, based on the number of newly established businesses relative to the total number of registered businesses. Data on new business establishments is sourced from Statistics Norway, table 08076. Data on the total number of businesses in the region is sourced from Statistics Norway, table 14151. Note that the figures for 2009–2023 are annual values based on the average of quarterly data. For 2024 and Q1 2025, 2023 data for the total number of registered businesses is used, pending updated figures from Statistics Norway.

Figure 10: Number of newly established businesses and bankruptcies
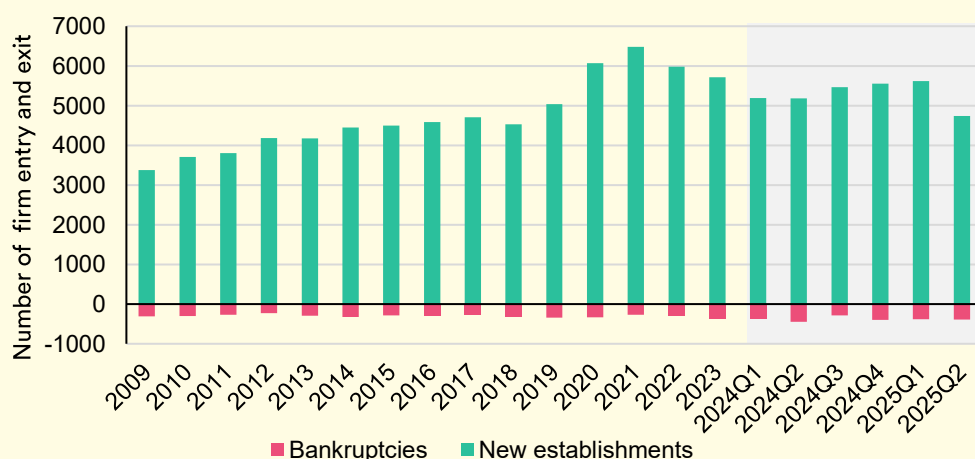
Source: The number of newly established businesses is sourced from Statistics Norway, table 08076, while the number of bankruptcies is sourced from Statistics Norway, table 10790. Note that the figures for 2009–2023 are annual values based on the average of quarterly data.
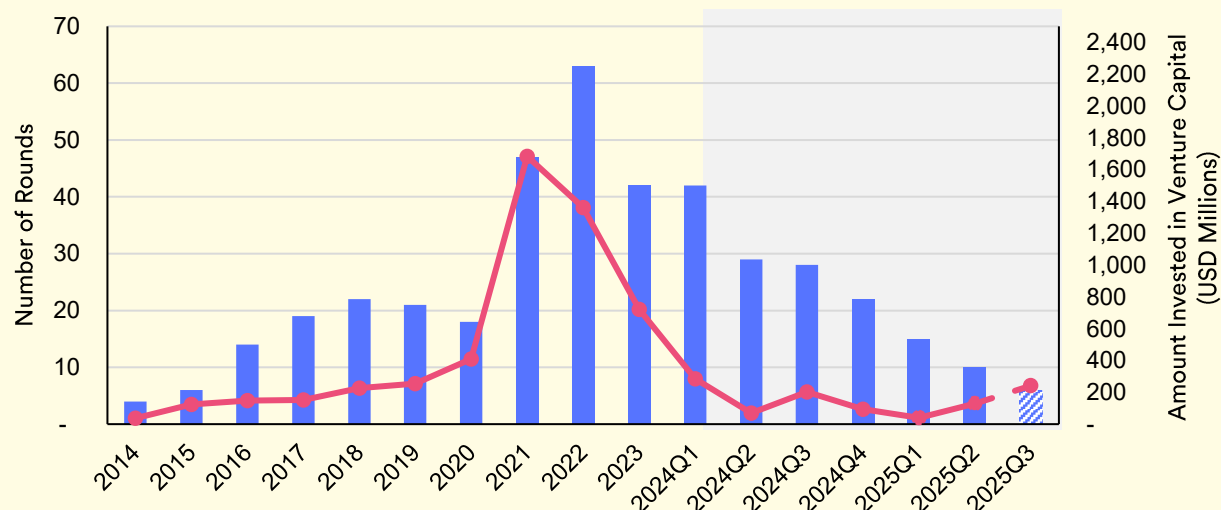
Venture capital markets

Oslos venture capital (VC) markets experienced a slump in activity from 2022 until the end of 2024, measured both in the number of investment rounds and in the amount of capital raised. Data from the first to third quarter of 2025 indicates that the downward trend may have stopped, with investment plateauing at a historically low level.

During 2025, the number of investment rounds has stopped falling, and stabilised at a level of 15-20 rounds per quarter, compared to a 10-year average of approximately 28 rounds per quarter. Investment volume increased in the second quarter relative to the first quarter of 2025, and relative to 2024Q2.

Figure 10: Runds and magnitude of venture capital fundraising


Source: Dealroom.co. Note that the figures for 2014–2023 are annual values based on the average of quarterly data. Data for 2025Q2 is preliminary.

Oslo still lags the other Nordic capitals in venture-capital activity. Provisional 2025Q3 figures indicate that the peer regions averaged 12 investment rounds, compared to only six in Oslo.

However, when comparing the amount of capital raised the Oslo region performs better, with preliminary data indicating that Oslo will only attract 6 percent less venture capital investment than the best performer, Stockholm.
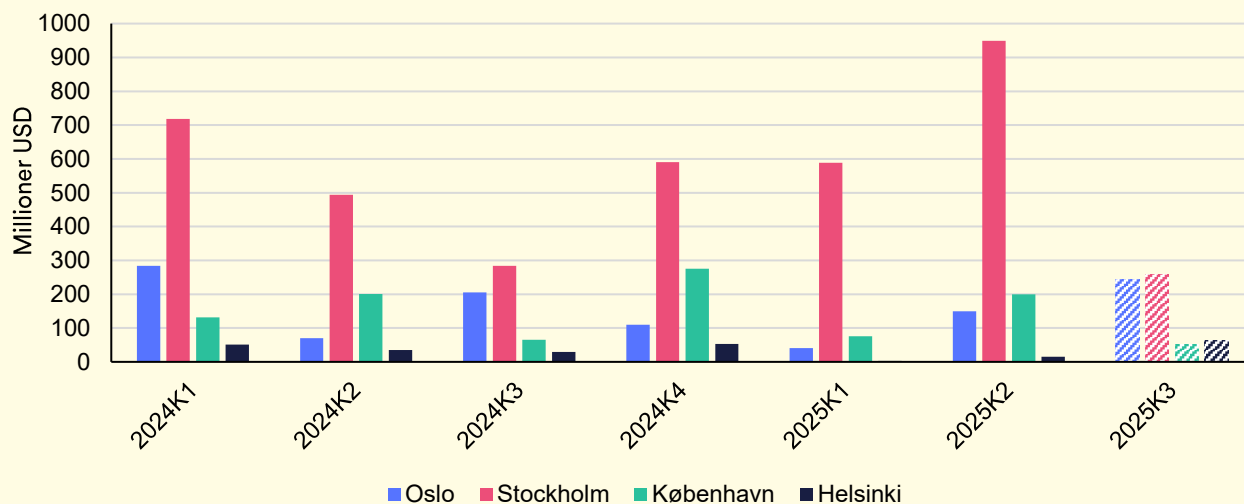
Figur 12: Number of rounds of VC investments in the Nordic capital regions
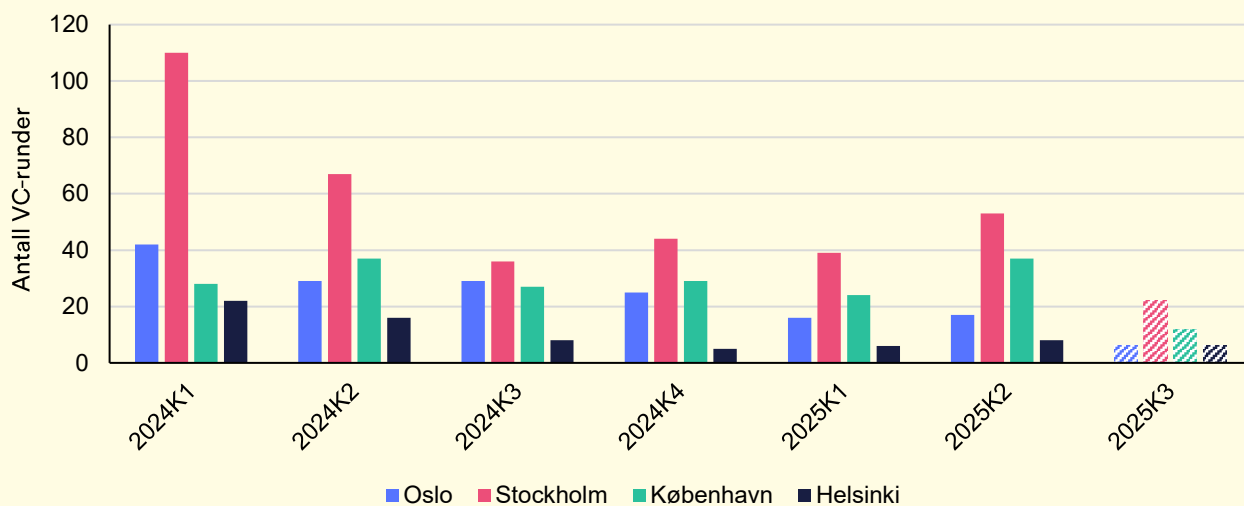
Kilde: Dealroom.co

Figur 13: Funds raised in the VC sector in the Nordic capital regions

Kilde: Dealroom.co

Attractiveness

ON ATTRACTIVENESS:

"Net migration fell with 85 percent compared to the same period one year ago. This is the lowest registered level of immigration to the region since 2014"

Attractiveness

Net migration

Since 2014 and up to the second quarter of 2025, the Oslo region has experienced a positive net migration. That is, the number of immigrants to the region has exceeded the number of emigrants from the region. The positive net value is primarily driven by a high level of net migration from the rest of the world.

In 2025Q2, net immigration fell by 85 per cent compared with Q1 and by 91 per cent year-on-year. Excluding the pandemic years (2020–2021), this is the lowest level recorded over the period.

Of those who left the Oslo region in Q2, 86 percent moved to other parts of Norway, while 14 percent moved abroad. Over the past decade, the share moving abroad has averaged around 16 per cent, so the current share is relatively low in historical terms.

Figure 14: Net migration broken down by domestic and international migration
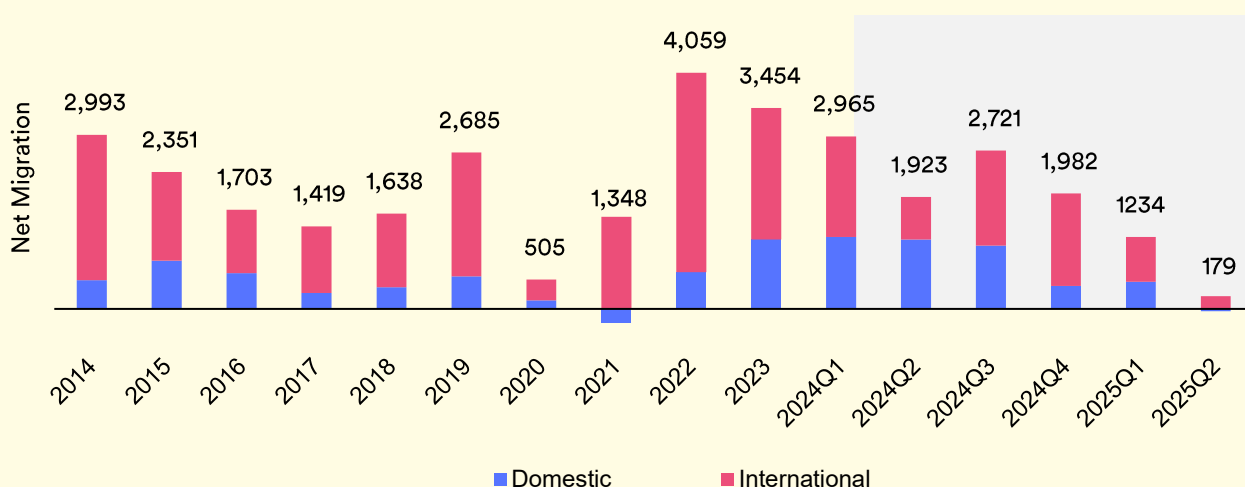
Source: Indicator developed by Oslo Economics. Net migration is defined as the sum of domestic in- and out-migration, as well as immigration and emigration. Data from Statistics Norway, table 01222. Note that the figures for 2014–2023 are annual values based on the average of quarterly data.

Visitor economy

Oslo remains an attractive destination. Because the visitor economy is highly seasonal, quarter-to-quarter comparisons are less informative; year-on-year figures are more meaningful.

Year to date, the number of overnight stays is up 2.6 per cent compared with the same period last year.

Figure 15: Visitor economy

Source: Statistics Norway, table 14162. Note that the figures for 2020–2023 are annual values based on the average of quarterly data on overnight stays.

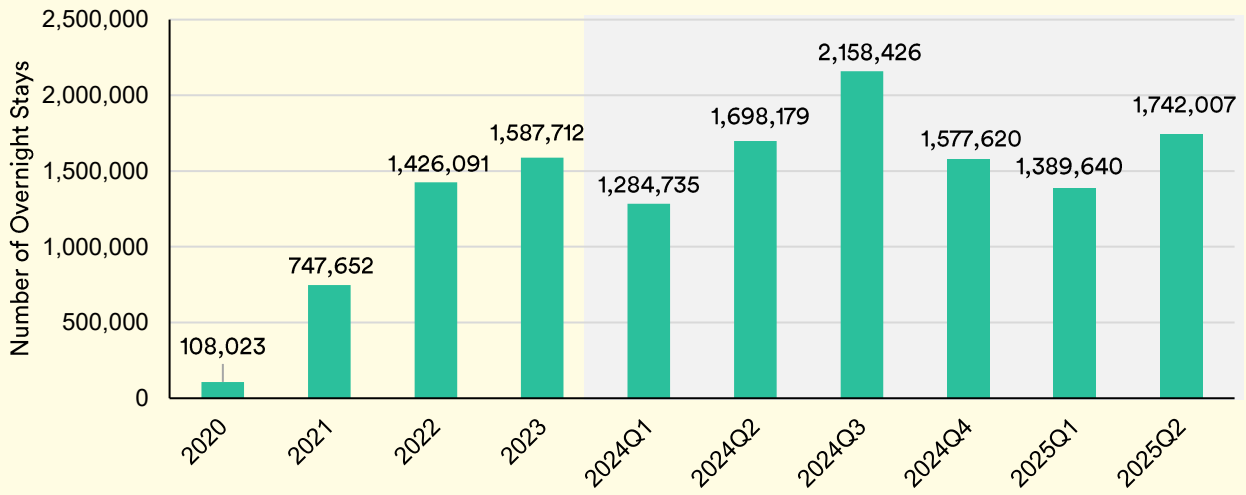# House price-to-income ratio

The house price-to-income² ratio indicates how affordable homes are for a typical earner in the same area. For example, a ratio of 7.0 means a representative home in Oslo costs seven times the average gross annual income of residents.

As shown in figure 16, the regions population has over 2016 experienced improved housing affordability in response to average income growth outpacing house price growth. This is captured by the ratio moving from 7.0 to 6.76 from 2024Q4 to 2025Q2.

Figure 14: Development in house prices, annual incomes, and the ratio
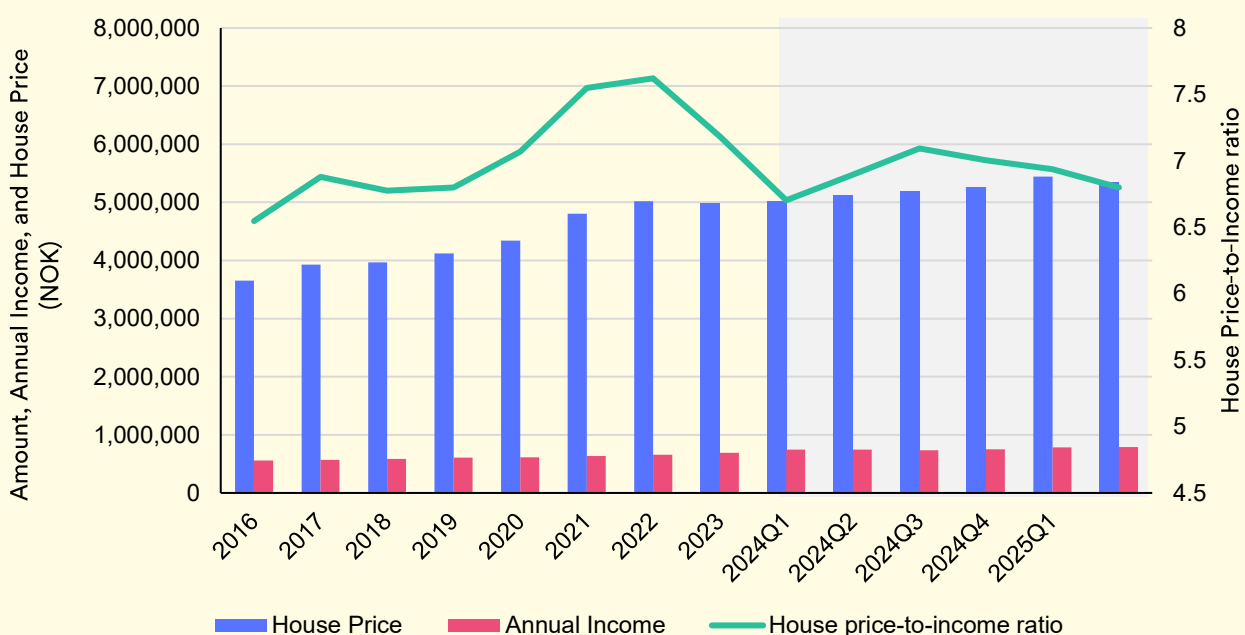
Source: Indicator developed by Oslo Economics and defined as the median house price divided by the average annual income. The median house price is based on a point estimate from Oslo Municipality, with quarterly developments from Statistics Norway, table 07221. The average annual income is calculated as 12 times the monthly income from Statistics Norway, table 11652. Note that the figures for 2016–2023 are annual values based on the average of quarterly data.

² House price–to–income ratio is defined as the median house price divided by the average gross annual income, where:
Median house price is the 50th percentile—half of homes cost more and half cost less.
Average gross annual income is the mean income before tax and deductions.

Disposable income after consumption

Disposable income after consumption (DIAC) is a measure developed by Oslo Economics that shows how much income a household has left after purchasing a standard basket of goods and services. It provides a purchasing-power indicator that is easier to compare over time. Figure 15 shows a steady increase in DIEF over 2016–2024.

Over the second quarter, households' DIAC was NOK 200,090 (Figure 17). This represents an increase of NOK 41,200 from last year's trough, mainly due to stronger wage growth and slower price growth in the consumption basket. Since the third quarter DIAC has risen steadily, but the trend has now levelled off as wages and the cost of the basket increased by roughly the same amount in the latest quarter.

Figure 15: Disposable income after consumption
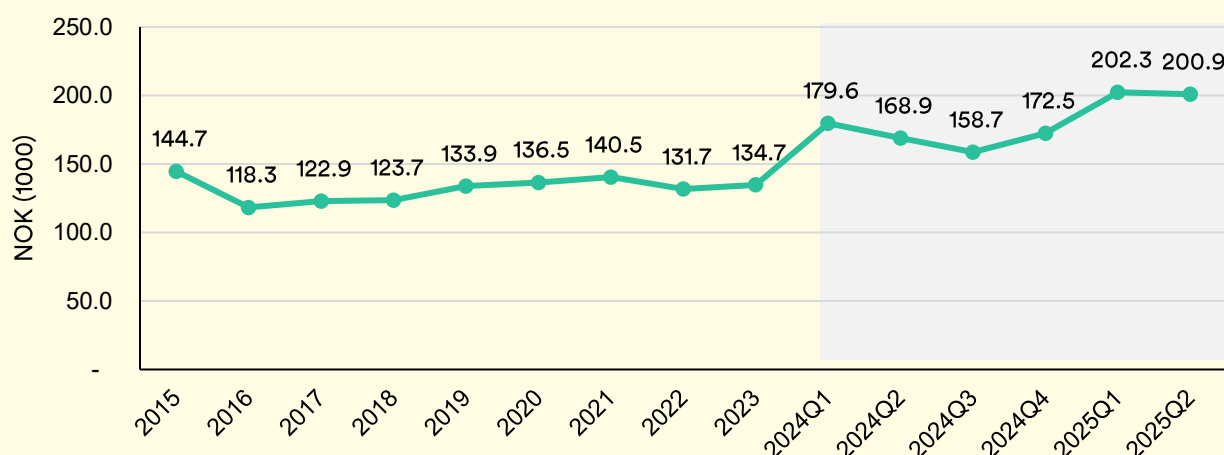
Source: Indicator developed by Oslo Economics. The price level of the consumption basket is calculated based on weights and prices reported by Eurostat. The development in the price level is then estimated using Eurostat's HICP index. Code for HICP weights from Eurostat: prc_hicp_inw. Code for HICP price observations: prc_dap15. Code for HICP index: prc_hicp_midx. Income data is sourced from Statistics Norway, table 11652. Note that the figures for 2015–2023 are annual values based on the average of quarterly data.

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4 "Nominal" means that the figures are not adjusted for price growth (inflation).

Data

Job Market

The Labour market category includes the following indicators: labour market tightness, labour force, and median nominal earnings

Job market tightness measures the balance between the supply (unemployed individuals) and demand (vacant positions) for labour and expresses the tightness in the market as a ratio. It reflects the dynamic development in the labour market, provides insight into future employment and wage levels, and is highly correlated with business cycles. The indicator is commonly used by both national and international analysts to track employment trends.

The labour force represents the total available workforce in the region as a stock measure, indicating the capacity of the labour market. Changes in the size of the labour force can offer insights into demographic trends and labour market participation, highlighting developments that influence the labour market.

The unemployment rate is a core labour market indicator that reflects the share of the labour force that is actively seeking work. It is calculated as the number of unemployed persons divided by the total labour force (unemployed + employed). This measure is used to track labour market slack and job market dynamics in the region, and it provides insight into cyclical developments, potential skill mismatches, and the overall health of the economy. Changes in the unemployment rate help inform assessments of regional competitiveness and social inclusion.

Median nominal wage is an indicator that reflects a key cost for businesses, as it shows wage expenses per employee. It is used to analyse trends in wage pressure and costs for employers in the region, offer insight into how wage levels influence both labour market competitiveness and business expenses.

Appendix

Business

The business category aims to provide an overview of the development in within the regions private sector, focusing on four indicators: business confidence, firm entry and exit, and rounds of venture capital (VC) financing.

Business confidence is derived from Norges Bank's quarterly regional network survey, which captures businesses' assessments of the current economic situation. It reflects sentiment in the business sector and provides early signals about firms' expectations regarding growth or downturn. This measure complements traditional macroeconomic indicators by offering timely insights into real-time developments.

Business dynamics are analysed through examining the level of business formation and bankruptcies. A high rate of entry indicates a high level of entrepreneurship while an increase in bankruptcies could signal economic challenges. This information is important for assessing the region's attractiveness to business owners and investors. When computing the categorical score for the development in macroeconomic developments, we focus on the number of bankruptcies, where a higher number of observations reduce the categorical score, when considering the level of business formation, we use a percentage measure.

Rounds of VC financing reflects the level of venture capital investment in the region's new businesses and growth companies. It provides insights into the availability of risk capital and indicates how attractive Oslo is for innovative-driven businesses. An increase in venture capital is thought to reflect a favourable investment climate, and to indicate a high rate of innovation in the region.

Appendix

Attractiveness
The attractiveness category seeks to highlight the regions' ability to attract talent and includes the following indicators: net migration, contributions from the visitor economy, the house price-to-income ratio, and disposable income after consumption.

Net-migration offers insight into the regions ability to attract new residents and examines the difference between both national and international immigration and emigration. Positive net migration often signals favourable labour market conditions, high quality of life, abundant economic opportunities, a high level of amenities, and a positive reputation, which may contribute to population growth and the availability of a skilled workforce.

Visitor economy measures the number of visitors to the region, highlighting its appeal to both business and leisure travellers. It serves as a key indicator of the region's international visibility and reputation and can drive economic growth by boosting demand for local goods and services.

The house price-to-income-ratio compares the cost of housing to income levels, providing a clear picture of housing affordability in the region. This indicator is essential for assessing how financially accessible it is to live in the area.

Disposable income after consumption measures how much an average income can purchase based on a standard consumption basket. It uses HICP data from Eurostat combined with average income data from Statistics Norway (SSB). The calculation considers the actual costs of goods and services in the region.

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Oslo Business Region