Oslo Outlook December 2025

osloeconomics

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Summary

Job Market

There are signs that the labour market is entering a weaker phase in 2025, with the job market indicator falling since the first quarter (-4.2%) (Figure 1). This negative development is driven by a higher unemployment rate, and increased competition for a falling number of vacant jobs. Moreover, the strong wage growth observed in the first two quarters of the year has moderated somewhat. From the second to the third quarter, the unemployment rate increased from 2.17 to 2.51 percent, while the number of vacant positions has fallen (-31 %) since the first quarter. As a result, labour market tightness has fallen, and the measured median wage has declined (-1%).

Business

Overall, the business sector has experienced relatively stable growth throughout 2025 (Figure 1). Business expectations have shifted from being slightly positive at the start of the year to a neutral sentiment in both the second and third quarters. At the same time, the number of new business establishments and bankruptcies has remained near its historical trend. The positive development from the second to the third quarter is primarily driven by increased activity in the venture capital market, suggesting that the gradual weakening in investment rounds may have begun to reverse.

Attractiveness

After a positive start to 2025, the measured attractiveness of the Oslo region declined in both the second and third quarters (Figure 1). The region has struggled to attract labour compared with previous years, with lower levels of international immigration and increased domestic migration to the rest of Norway. At the same time, third-quarter data show that household incomes have fallen relative to prices, and that both disposable income after consumption and the house-price-to-income ratio have deteriorated.

The decline in the indicator from the second to the third quarter (Figure 2) can be explained by a fall in disposable income after consumption (-14 %), as well as an increase in house prices relative to average household income (+3.9 %). However, the fall was somewhat counteracted by an increase to net-migration driven by a sharp increase in immigration to the region (+52 %), while emigration rose somewhat less (+43 %) compared with the second quarter of 2025.

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

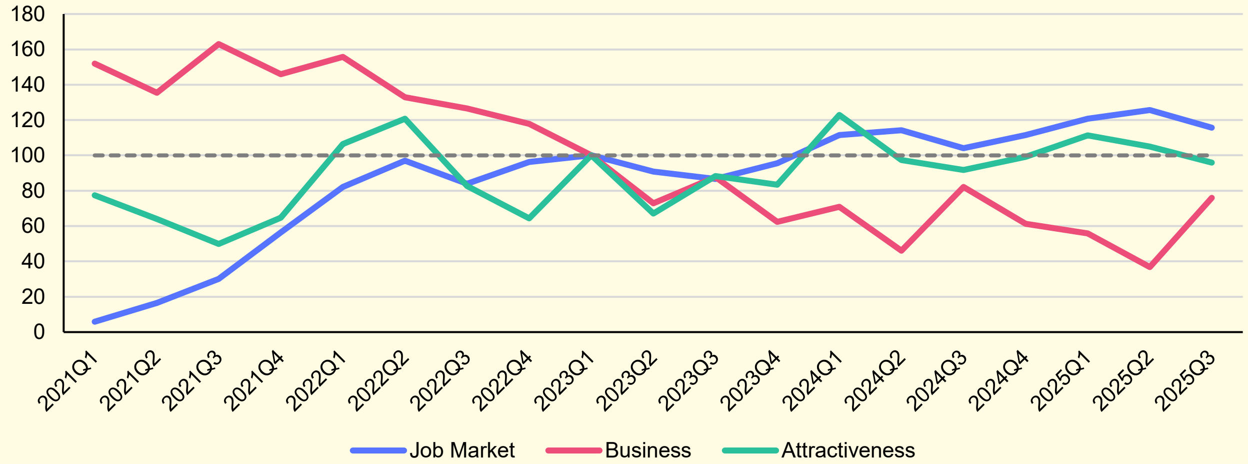
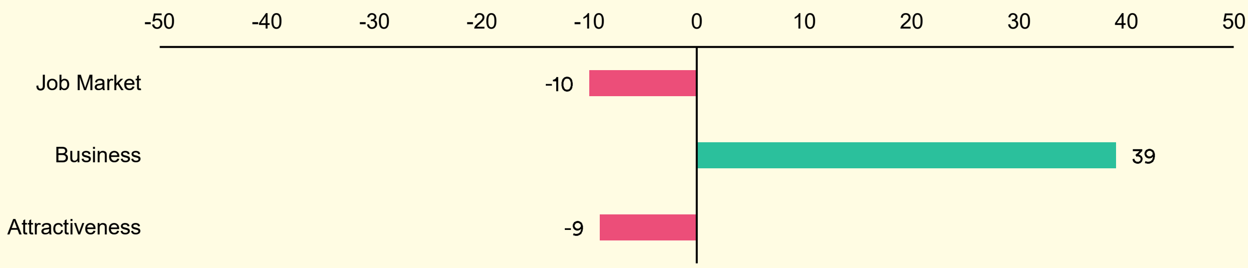


Figure 2: Development in index values, 2025Q4 vs. 2025Q3



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.

Part 1

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”

Part 1

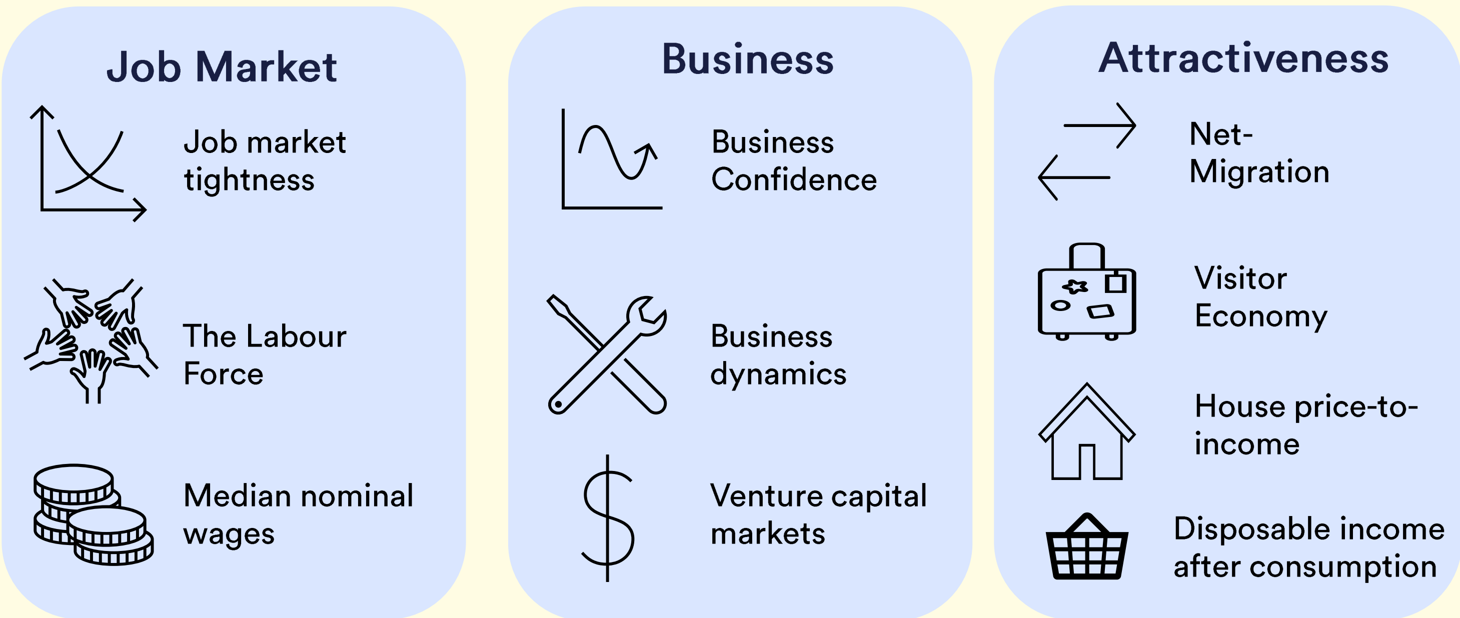
Oslo Outlook

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: "Job 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



PART 2

Job Market

ABOUT THE JOB MARKET:

"Unemployment has risen to 2.51 percent, and there are now more unemployed persons relative to the number of vacant positions."

PART 2

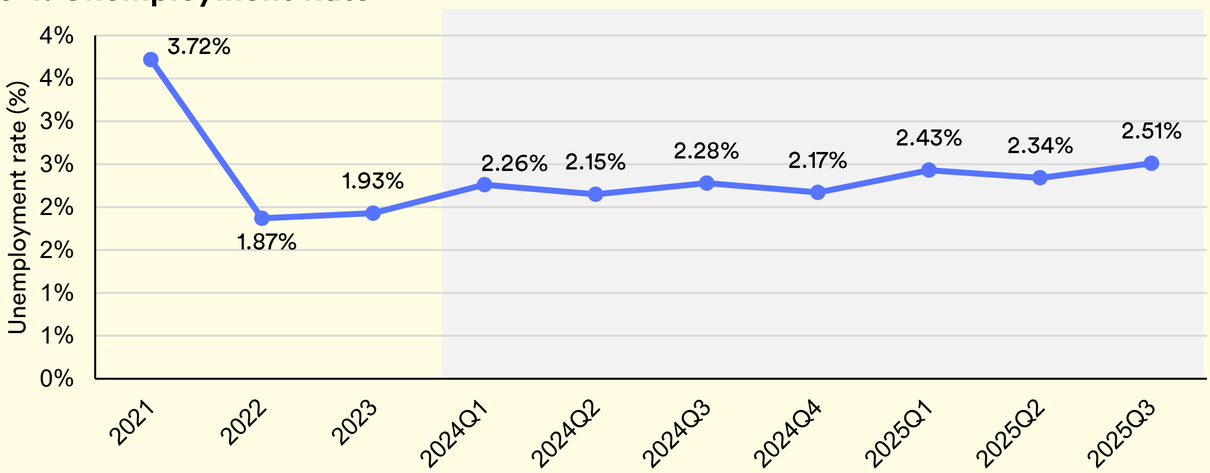
Job Market

Unemployment

Since the end of 2024, the unemployment rate has increased from 2.17 percent to 2.51 percent in the third quarter. Looking at the year as a whole, average unemployment in the Oslo region was 2.42 percent – slightly higher than in the three preceding years.

At the same time, the unemployment rate remains relatively low in the Oslo region compared with the rest of the country. While the national average unemployment rate was 4 percent in 2025, the Oslo region only recorded an unemployment rate of 2.51 percent in the third quarter of 2025, a post pandemic peak (first quarter of 2022).

Figure 4: Unemployment Rate



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 2021–2023 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.

PART 2

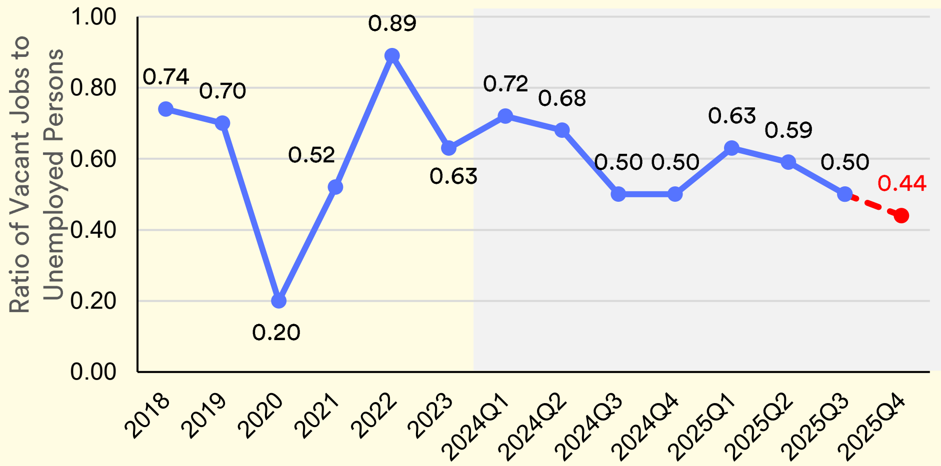
Job market tightness

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.

Over the course of 2025, the job market in the Oslo region has become less tight (Figure 5). This is primarily due to a 31 percent decline in the number of vacant positions since the beginning of the year, while the number of unemployed persons has remained relatively stable (Figure 6).

Preliminary figures for the fourth quarter indicate that the decline in vacancies relative to the number of unemployed persons is continuing, and that the tightness measure (Figure 5) has fallen to its lowest level since the first quarter of 2021.

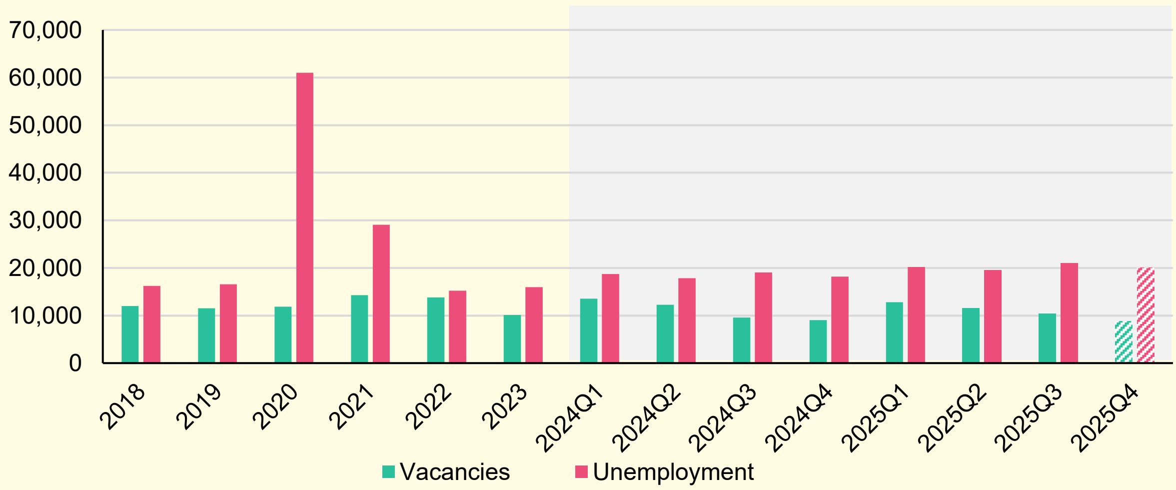
Figure 5: Job market tightness



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



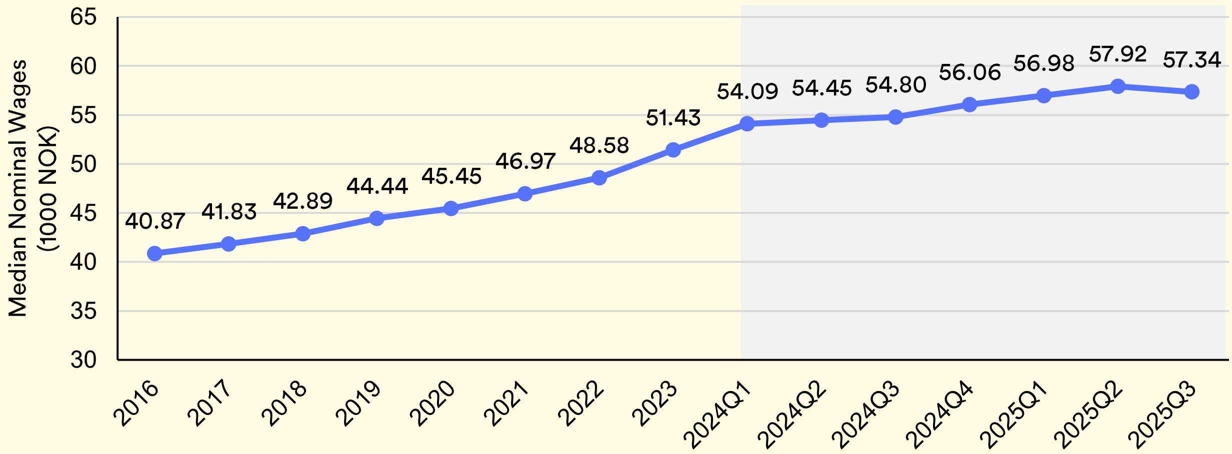
Source: NAV. Note that the figures for 2018–2023 are annual values based on the average of quarterly data.

PART 2

Median nominal wages[1]

Since the third quarter of 2024, median wages have increased by 4.64 percent up to the third quarter of 2025. In the third quarter of 2025, median wages in the Oslo region fell from NOK 57,920 to NOK 57,340 per month (-1%) (Figure 7).

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 without adjusting for price increases (inflation). "Median" means that half of the population earns less than this amount, and half earns more.

PART 3

Business

ON BUSINESS:

"In the third quarter, the number of new business establishments increased by 16.4 percent. At the same time, Oslo remains the weakest venture capital market in the Nordics."

PART 3

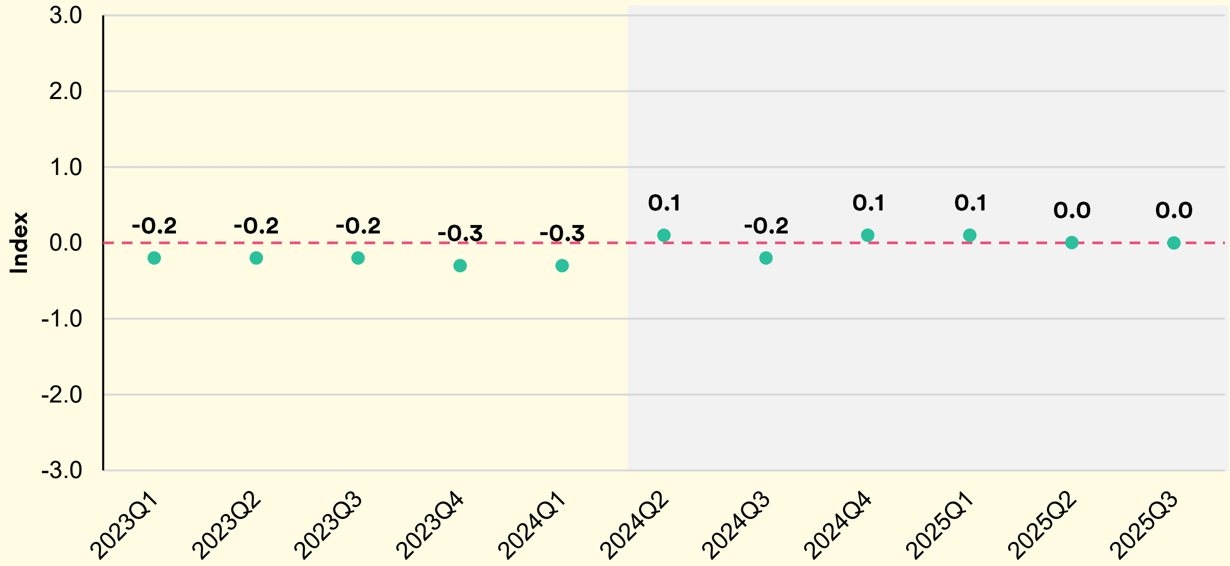
Business

Business confidence

The central bank of Norway conducts surveys of the business sector in which firms are asked to assess their situation in terms of demand, profitability, and future prospects. The indicator is constructed so that a value of zero reflects that businesses perceive the economic situation as neither particularly good nor particularly poor.

Throughout 2025, business expectations have shown a slight decline from a marginally positive level (0.1) at the beginning of the year to what firms describe as a “normal situation” in both the second and third quarters (Figure 8).

Figure 8: Private sector expectations



Source: The central bank of Norway’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.

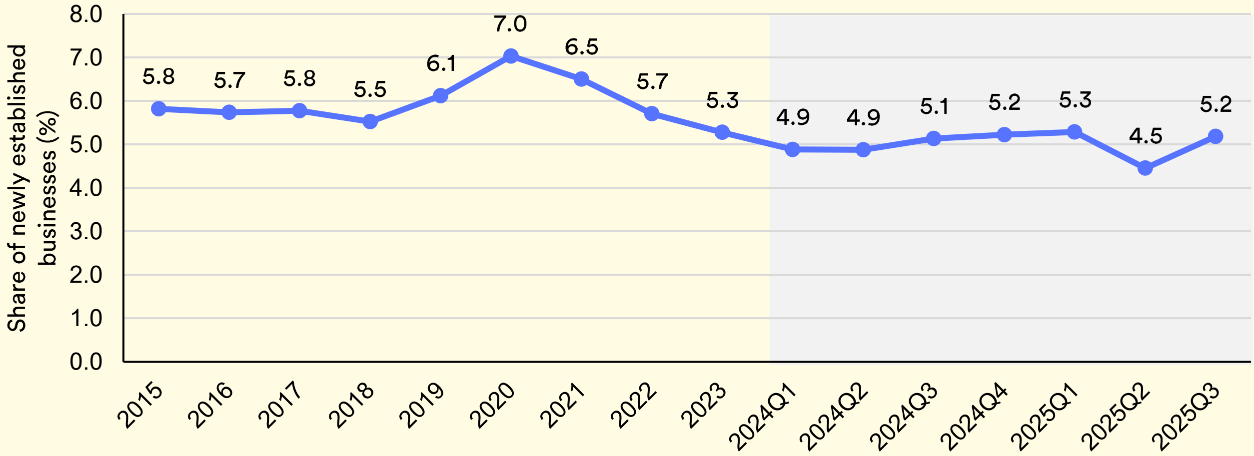
PART 3

Firm dynamics

So far this year, the number of new business establishments and bankruptcies has been roughly the same as last year. From a historical perspective, both indicators remain at a "normal" level.

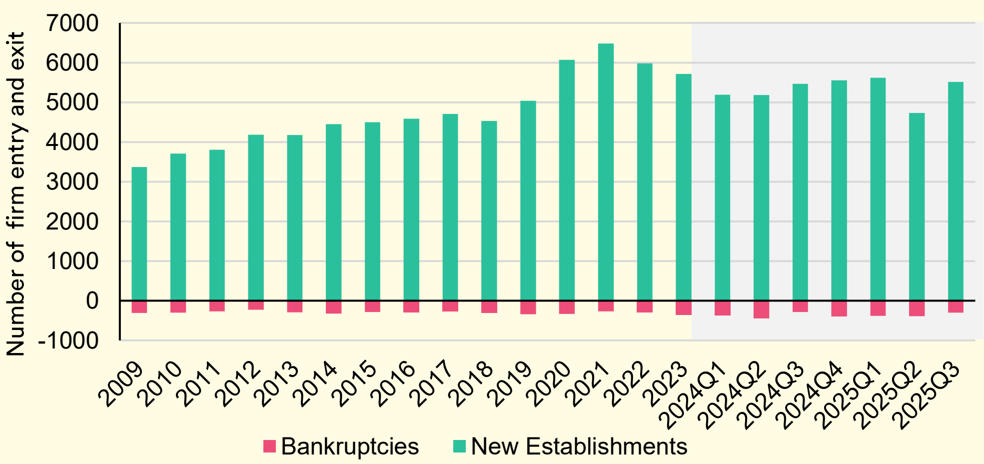
In the third quarter, the number of newly established businesses increased by 16.4 percent compared with the second quarter. This has contributed to an increase in new establishments as a share of all registered firms (Figure 9). Measured from the third quarter of 2024 to the third quarter of 2025, this share has risen by 0.9 percentage points. The number of registered bankruptcies fell by 24 percent in the third quarter (Figure 10).

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.

Note that due to updated data in table 14151, the percentage figures presented in Figure 9 have been revised and are not directly comparable with earlier publications.

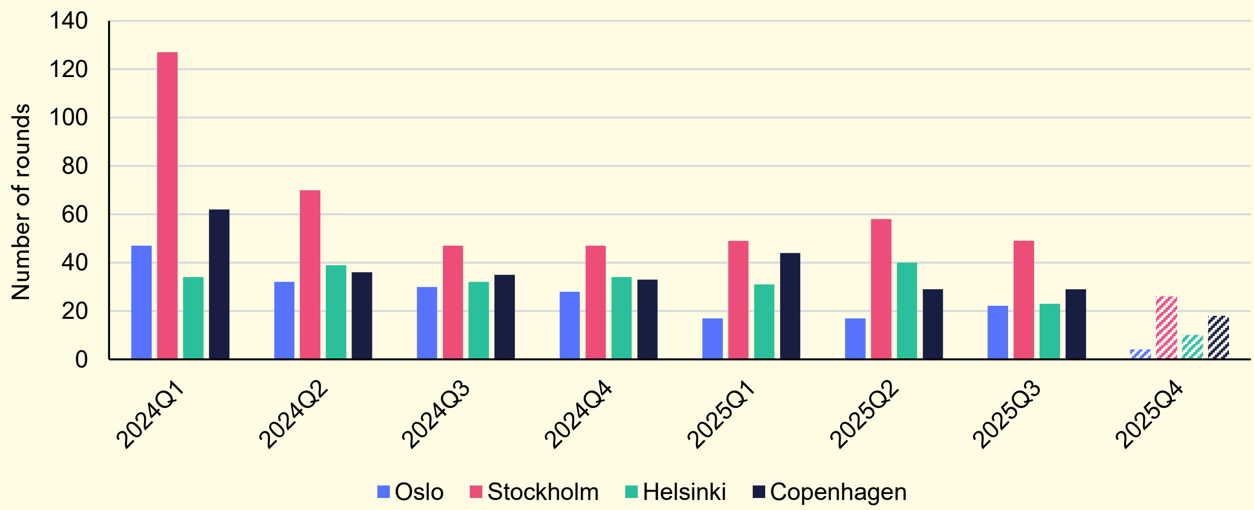
Part 3

Venture capital markets

Oslo had the smallest venture capital market in the Nordics in 2025, with only USD 508 million having been invested so far in 2025 (Figure 12). This corresponds to roughly one quarter of the size of the largest Nordic market, Stockholm (USD 2.2 billion), and around 35 percent less than Helsinki, the second smallest (USD 792 million).

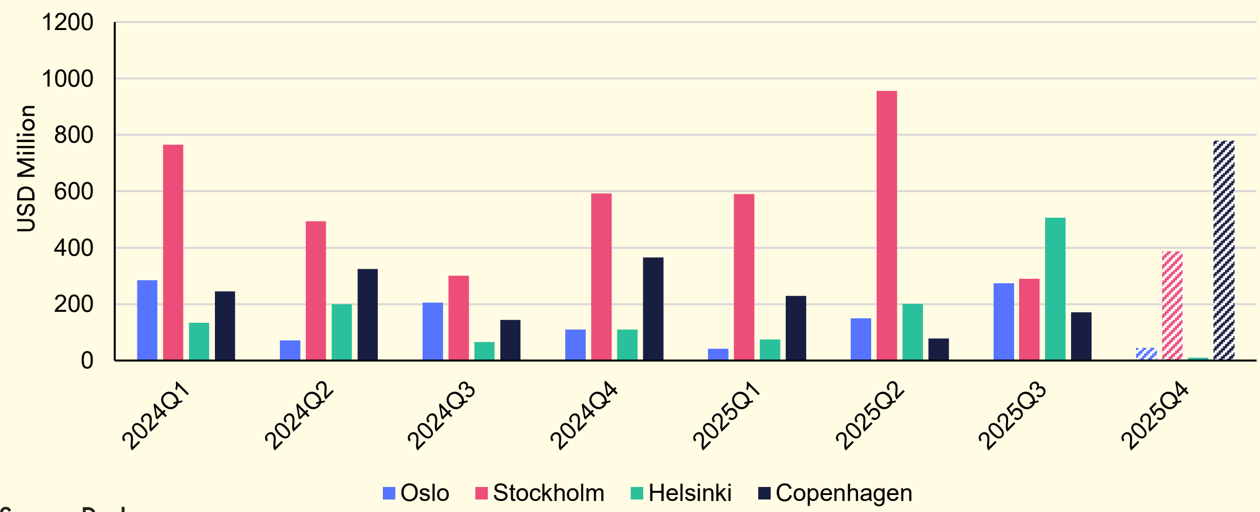
Unlike the other Nordic capitals, the number of investment rounds in Oslo increased in the third quarter of 2025 (Figure 11). Despite this improvement, preliminary figures for 2025 indicate that Oslo still has the lowest number of investment rounds in the Nordic region.

Figure 11: Number of rounds of VC investments in the Nordic capital regions



Source: Dealroom.co
Figures for 2025K4 are preliminary

Figure 12: Funds raised in the VC sector in the Nordic capital regions



Source: Dealroom.co
Figures for 2025K4 are preliminary

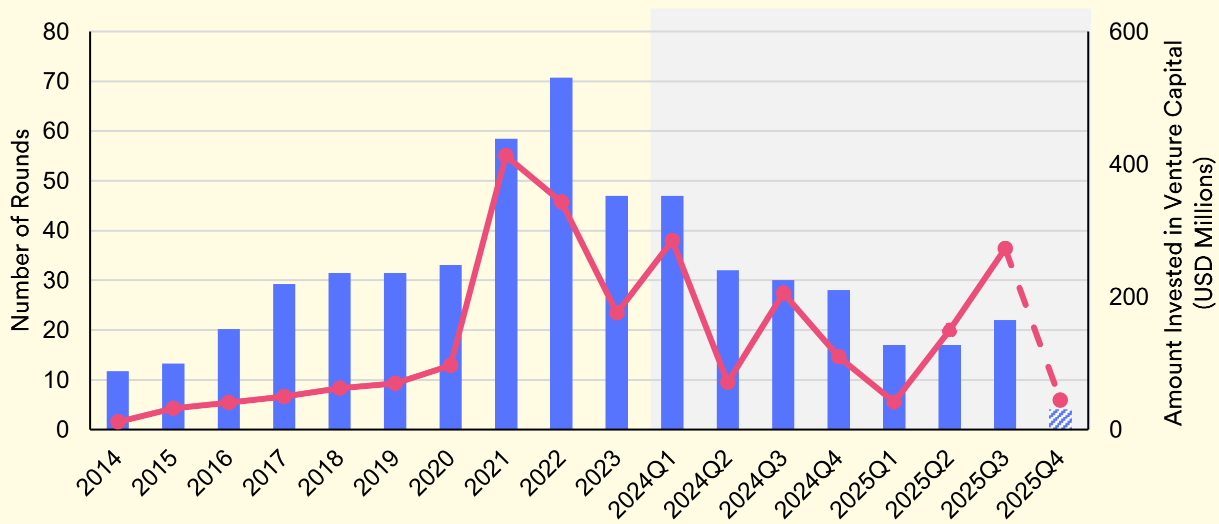
Part 3

Preliminary figures suggest that 2025 may become the weakest year for Oslo's capital markets since 2018 in terms of investment rounds, and since 2021 in terms of invested capital (Figure 13).

Data for the third quarter of 2025 show an increase in both the number of investment rounds and the total amount invested. The number of rounds rose from 17 in the second quarter to 22 in the third quarter (+29.4%), while the amount invested increased to USD 273 million (+82.4%).

Taken together, the developments in the third quarter indicate a potential improvement in access to venture capital in Oslo. However, whether this trend will continue in the fourth quarter remains to be seen.

Figure 13: Rounds 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 2025Q4 is preliminary.

Note that due to data updates at Dealroom.co, all figures in this report have been significantly updated compared to previous reports

PART 4

Attractiveness

ON ATTRATIVENESS:

“In the third quarter, disposable income after consumption fell (-14%). At the same time, the big picture shows that the Oslo region has become a less popular destination for newcomers.”

PART 4

Attractiveness

Net Migration

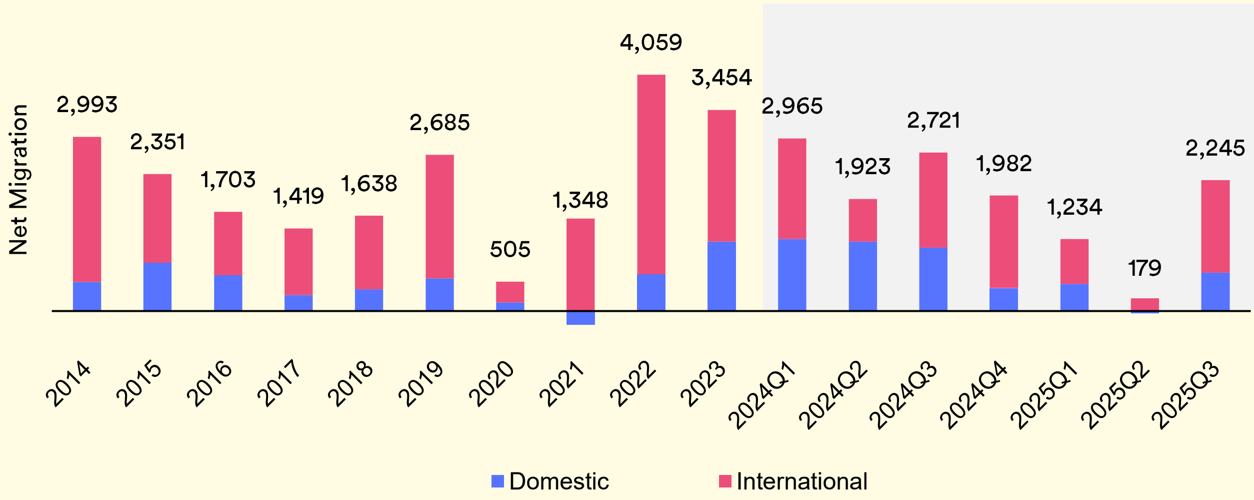
Compared with the same period last year, net migration to the Oslo region has fallen by 51.9 percent (from 7,609 to 3,658). This development is driven by both an increase in domestic out-migration and a decline in international immigration.

International net-immigration has fallen from 10,500 persons in the first three quarters of 2022 to around 2,500 so far in 2025, primarily because Oslo has had increasing difficulty attracting immigrants from abroad. Immigration from abroad has decreased from over 20,000 (2022Q1–2022Q3) to 11,150 (2025Q1–2025Q3).

At the same time, while the number of people moving to the Oslo region from the rest of Norway has remained stable over the past five years, migration from Oslo to the rest of the country has increased by 6 percent (from 54,764 to 58,096). As a result, net domestic migration for the first three quarters has fallen from around 3,500 in 2024 to 1,082 persons in 2025.

Net migration increased from 179 to 2,245 in the third quarter of 2025 (Figure 14), marking a clear shift from the low level recorded in the second quarter.

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.

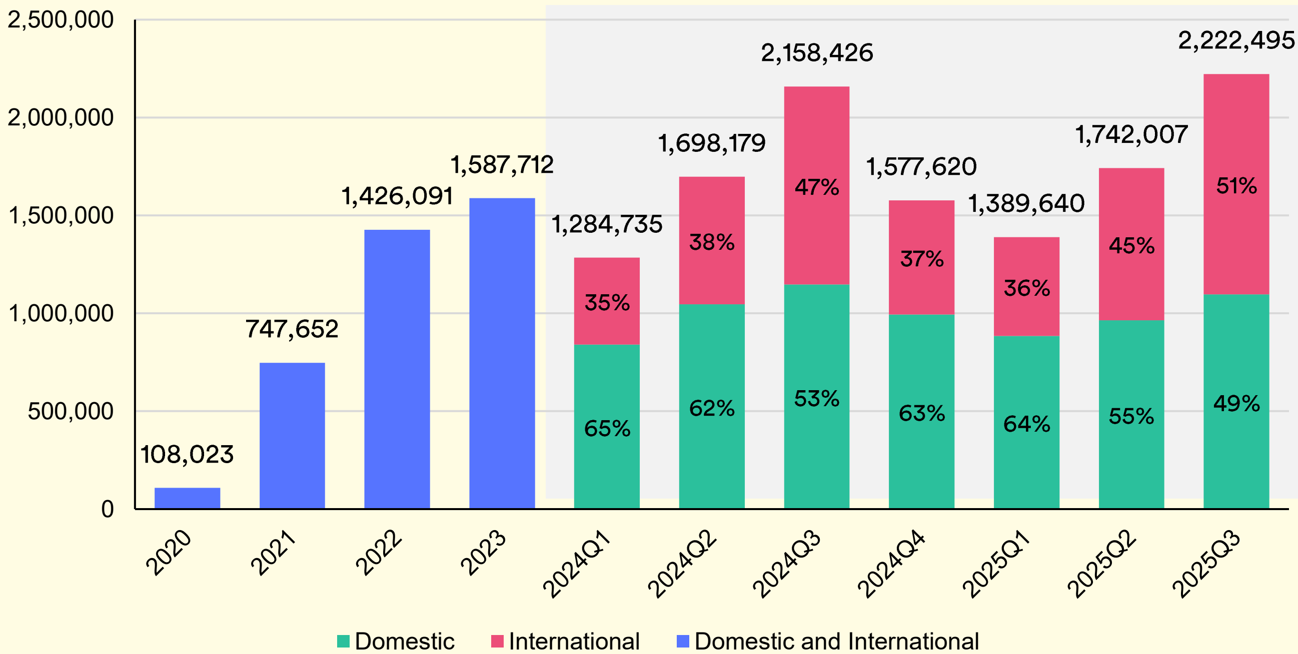
PART 4

Visitor economy

Oslo has become an increasingly attractive visitor destination in 2025. So far this year, 5.35 million overnight stays have been recorded, an increase of more than 200,000 (4 percent) compared with the same period in 2024.

The number of overnight stays has grown steadily among both domestic and international guests this year (Figure 15). Growth has been strongest among international visitors, who for the first time account for more than half of all overnight stays in Oslo.

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.

PART 4

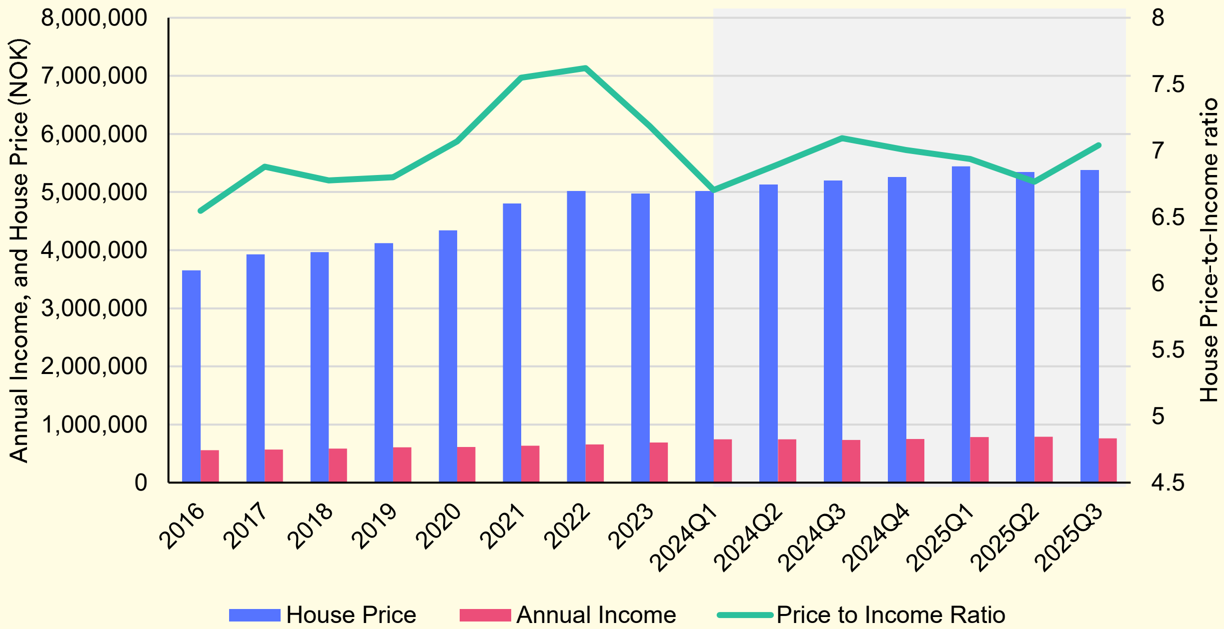
House price-to-income ratio

The house price-to-income[2] 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.

Looking at the year as a whole, the ratio has decreased by around 1 percent from the third quarter of 2024 to the third quarter of 2025. This suggests that, in isolation, it has become slightly more affordable for an average wage earner to purchase a standard home in the Oslo region during 2025.

However, as shown in Figure 16, the ratio increased from the second to the third quarter of 2025, indicating that housing became less affordable for residents during the quarter. This development was driven by falling wages, while house prices remained relatively stable.

Figure 16: 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.

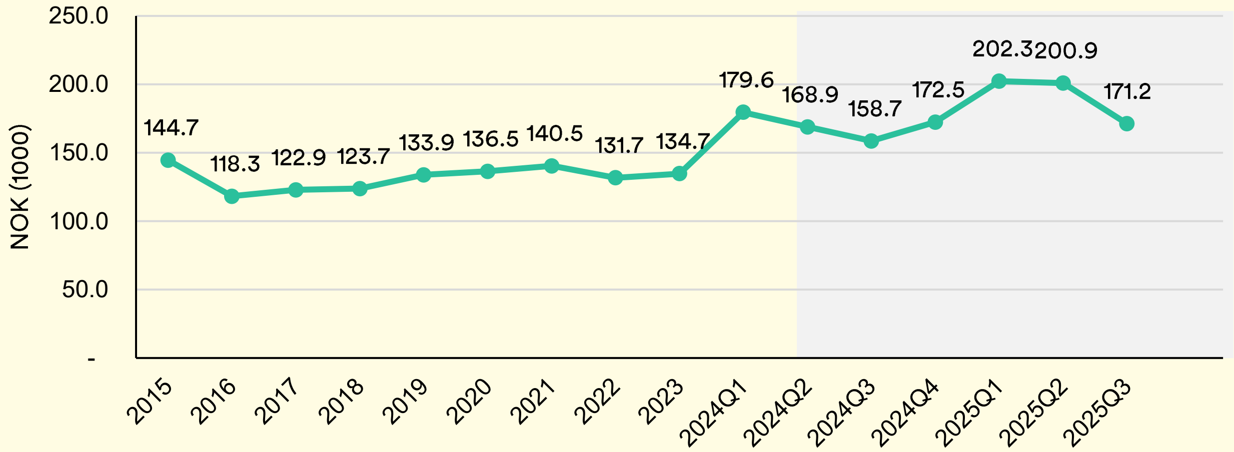
PART 4

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 DIAC over 2016–2024.

So far in 2025, the development shows a decline from the first quarter. In the third quarter, DIAC falls by 14 percent, driven by both lower median and average wages compared with the previous quarter, as well as high prices for the consumption basket. Historically, however, DIAC remains at a high level.

Figure 17: 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.

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 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 The central bank of Norway'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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