

Industry and market trends oslo

Job Market in Oslo: Employment increased by 0.5 percent in Oslo in the second quarter of 2024. The accommodation and food service industry experienced strong growth during the summer, while the number of workers in the construction industry continued to decline. Despite the increase in employment, the unemployment rate rose by 0.3 percent to 2.8 percent. Unemployment remains low compared to both historical levels and other Nordic capitals.

Business in Oslo: Investment activity in Oslo remained low in the second quarter after a moderate increase in the previous quarter. Investments in growth companies fell significantly from 281 million dollar to 89 million dollar, a reduction of 68 percent. The number of establishments has stabilized at a lower level in the past year compared to 2021 and 2022. The number of bankruptcies increased by 27 percent from the previous quarter and is now at its highest since the COVID-19 lockdown. Most of the bankruptcies were in the construction industry.

City Attractiveness: In the second quarter of 2024, only 174 housing units were initiated, the lowest number since the same quarter last year. So far in the third quarter, there are signs of improvement, with 474 housing units initiated in July. Housing prices reached new heights in the second quarter before stabilising at the beginning of the third quarter.

Employment: The number of employees increased by 0.5 percent in the second quarter of 2024, after a decline in the first quarter of the year. Employment growth was driven by the public sector, which increased by 0.8 percent, while employment in the private sector increased by 0.3 percent. The accommodation and food service industry experienced strong growth after the decline in the first quarter of 2024, likely due to increased tourism to Oslo in the spring and early summer. The financial sector continues its strong development from the beginning of 2024, while the decline in employment in the construction industry persist.

Despite an increase in the number of employees, unemployment in Oslo increased by 0.3 percent. At the end of July, the unemployment rate was 2.8 percent, the highest level since the winter of 2022. Although unemployment has increased somewhat over the past year, it remains at a low level compared to historical levels and the other Nordic capitals.

Vacancies: In the second quarter and so far in the third quarter, the number of job vacancies in Oslo has decreased. With 5 380 job vacancies at the end of July, this marks the lowest level this year. This is primarily due to seasonal variations and the summer vacation. Compared to July 2023, this represents a 23 percent increase. The number of job vacancies was high in 2021 and 2022, but rising interest rates are starting to affect businesses, resulting in a decreased demand for labor. This, combined with a moderate increase in employment and unemployment, suggests that the labor shortage has decreased in the business sector.

New establishments and bankruptcies: New establishments have stabilised at a lower level, while bankruptcies are increasing. In the second quarter of 2024, 1 323 companies were established in Oslo. New establishments have stabilised between 1 240 and 1 450 per quarter in the past year, significantly lower than the up to 2 000 per quarter in 2020-2022.

Bankruptcies in Oslo rose to 252 in the second quarter, a 27 percent increase from the previous quarter and the highest since the COVID-19 lockdown in the fourth quarter of 2020. Most bankruptcies were in the construction, accommodation and service, and scientific and technical services sectors.

Investments in Scaleups: Investment activity remained low in the second quarter following a moderate increase in the number of investments in Oslo in the first quarter of 2024. During the second quarter, 32 investments were made in Oslo, a decrease of 40 percent compared to the same quarter in 2023 when there were 53 investments. Copenhagen and Stockholm, like Oslo, experienced fewer investments in the second quarter, while Helsinki saw more investments than in the previous three quarters.

The invested amount in Oslo's growth companies fell significantly in the second quarter of 2024. The invested amount decreased from 281 million dollars in the first quarter to 89 million dollars in the second quarter, a drop of 68 percent. Compared to the same period last year, this is a decline of 53 percent. Preliminary figures for the third quarter show 55 million dollars invested in Oslo, more than in Helsinki, but less in the other Nordic capitals.

Houses under construction: The number of new housing units initiated in Oslo fell sharply in the second quarter of 2024 but showed signs of improvements at the start of the third quarter. Only 174 units were initiated in the second quarter, the lowest since the second quarter of 2023 in the past four years. This has led to fewer employees in construction, as shown in Figure 2. Challenges in the sector continues due to high financial costs and rising materials prices. However, data from July shows an improvement with 474 housing units initiated.

Development in house prices: House prices in Oslo are now at their highest levels ever. After rising in the second quarter, prices have stabilized at the beginning of the third quarter. July, typically a weak month in the housing market, saw no change in prices. Compared to July last year, prices are up by 3 percent. Early indicators for August 2024 suggest continued strong growth in house price. This may be due to expectations of an interest rate cut during the winter and a limited supply of completed homes keeping prices high.

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