Norwegian home prices

03 September 2026

Existing home rebounds in Aug

Existing home price growth rebounded in August, after the depressing outcome in the previous month. Even though price growth was unusually strong and exceeded Norges Bank's monthly estimate, full-year growth is set to undershoot Norges Bank's projection by a handful. We do not expect the strong August data to be the start of a trend, rather that price growth will slow into year-end as higher borrowing cost and weaker confidence weigh on demand, although being partly offset by still-tight supply. Today's stronger-than expected figures are unlikely to alter Norges Bank's broader view on domestic demand. In our view the bank needs further evidence that underlying inflation is declining.

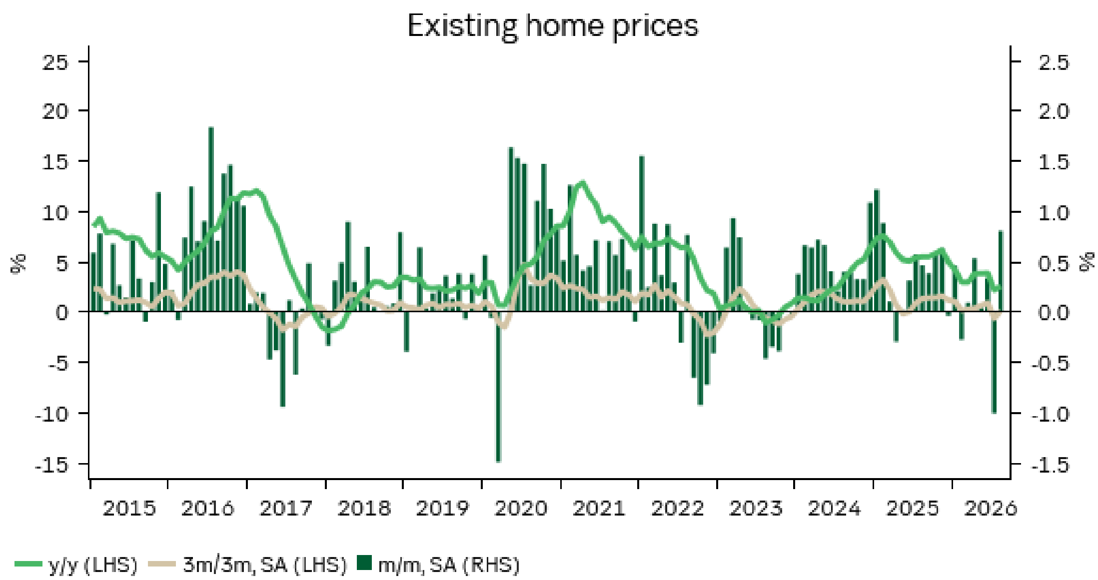
Details: Existing home prices rose 2.1% m/m in August, which is significantly more than normal for August, implying a strong 0.8% seasonal-adjusted rise. The year-on-year rate thus rose to 2.6%, and prices so far this year have risen 4.9%. The large increase follows a record-weak price growth in July. Price momentum, as measured by the 3m/3m rate, slowed in early 2026 and remains at broadly neutral levels in August.

In Oslo, a large sell-off of secondary homes has been the reason for an unusually strong supply side and conversely weaker price growth. In recent months prices have declined, though rebounded in August, rising 1.2% m/m (NSA) and are only up by 0.7% YTD y/y. LTV requirements for secondary homes are stricter in the capital than elsewhere in the country, and newly changes to the valuation of secondary homes for tax purposes are making it less attractive to invest in a second home taking into consideration high interest rates. At the same time, prices in Bergen, Stavanger and Trondheim also rose by 1.8% m/m, 3.0% m/m and 2.5% m/m, making monthly price growth more aligned than in previous months.

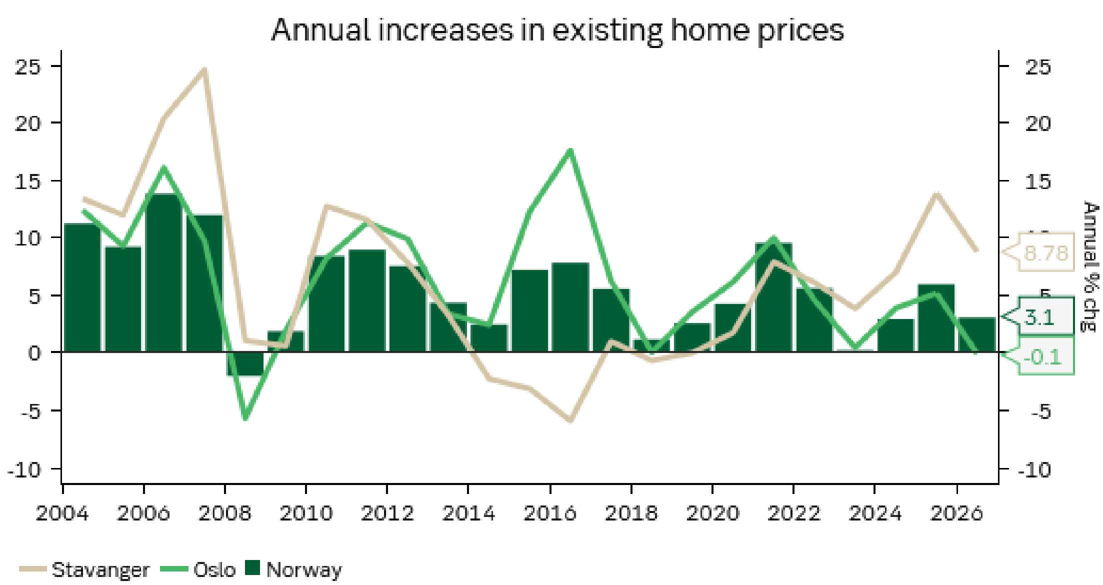
Supply of existing homes approved for sales rose substantially in August (13.077), although still 5.4% lower compared to a year ago. At the same time, turnover of existing homes also rose (9.594), and were 5.0% lower compared to a year ago. The demand-supply balance thus contracted, indicating a more balanced housing market. In terms of housing turnover, average transaction time declined to 50 days, which is in line with the long-term average.

Housing starts picked up in late 2025, but new home sales have since plummeted, delaying the recovery in developer sentiment and the supply side. Although housing starts have risen modestly since before the summer, the 3m/3m rate remains at depressing levels. Combined with elevated building and material costs, this will continue to weigh on new home supply. The growth in number of completed new homes has been on a steady decline since 2018 and has dropped significantly in the past two years. A relatively stable situation for household formation at the same time contributes to accumulating a structural deficit. To wit, the deficit has also shown up in the increasing rental prices which will absorb some of the underbuilt.

Implications Norges Bank: Existing home prices rose by 0.8% m/m (SA) in Aug (expected 0.4% m/m SA). The monthly rise was 0.4ppt higher than Norges Bank's own monthly projection, though we see clear downside risk to its full-year estimate of 3.5% in 2026. Large regional differences have been pulling in opposite directions although the rebound in August was broadly based. Nevertheless, the accumulated undersupply of homes will provide a significant tailwind to price growth once mortgage rates come down. We still look for further evidence that underlying inflation is declining. While todays stronger-than-expected home price figures does not provide further clues we await the upcoming August inflation data and the Regional Network Report which will be decisive ahead of the Sep 24 rate decision.



Source: Bloomberg, Macrobond, SEB



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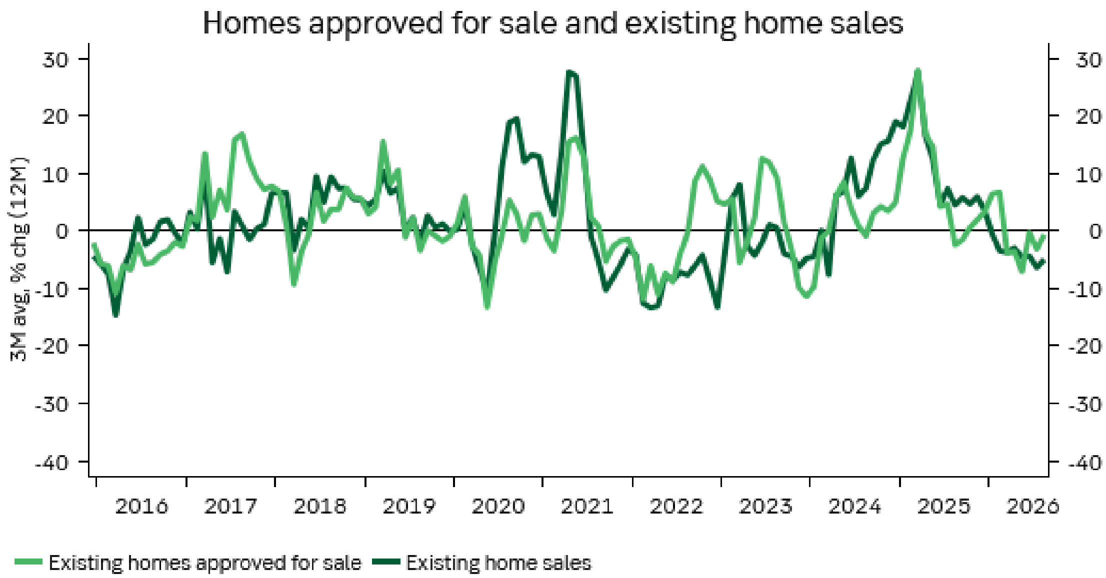

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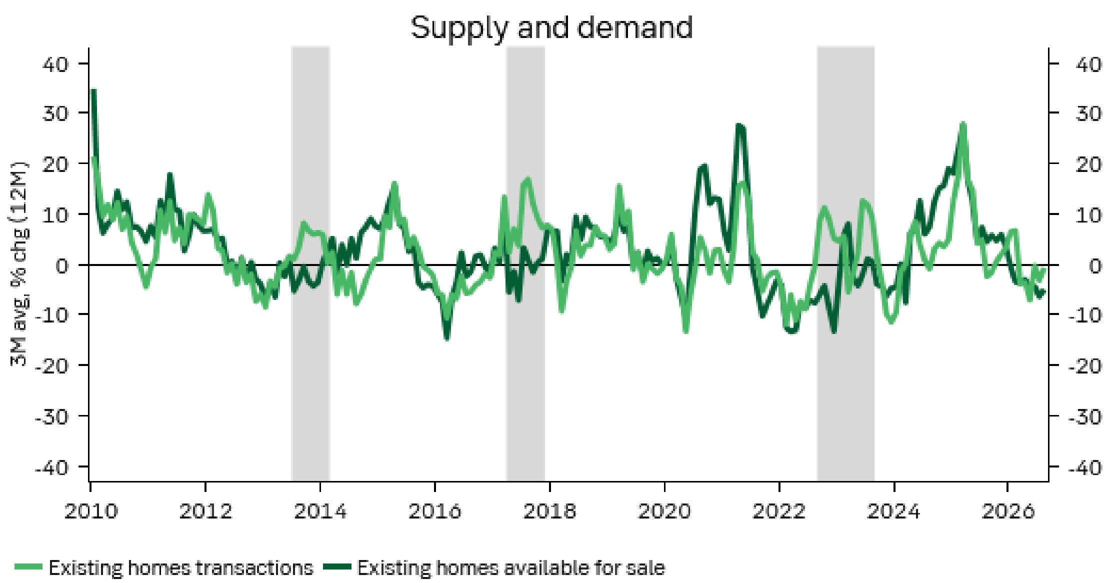

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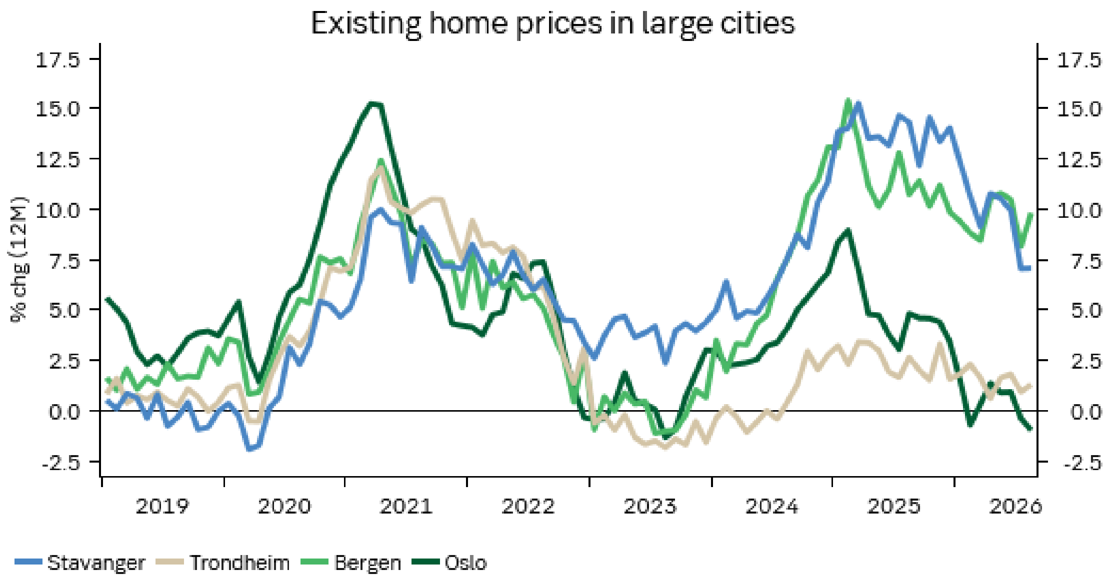

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