

Spring Market 2026 update

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Agenda

- 01 Introduction
- 02 Economic environment
- 03 The contracting markets
- 04 Construction costs
- 05 Summary

01

Introduction

About Veidekke's market report

- Veidekke prepares figures for the Scandinavian markets based on statistics published by Statistics Norway, Statistics Sweden and Statistics Denmark. Other information sources include major construction clients like the Swedish Transport Administration and the Norwegian Public Roads Administration, as well as central and local government budgets.
- Macroeconomic forecasts are based on analyses by reputable institutions like the National Institute of Economic Research (Sweden), Statistics Norway, the Danish Economic Councils and central banks.
- Veidekke calculates best-estimate forecasts of production levels using a forecasting model that incorporates national interest rate levels and municipal-level data on registered building starts, population growth and unemployment. Data sources used for infrastructure forecasting include national accounts and publicly available information on planned major public transport, water supply and sewerage projects.
- Veidekke's contractor activity assessments and construction cost indices are forecasts based on current knowledge. Forecasts may be revised in the event of unforeseen changes in geopolitical circumstances, financial markets or commodity prices.



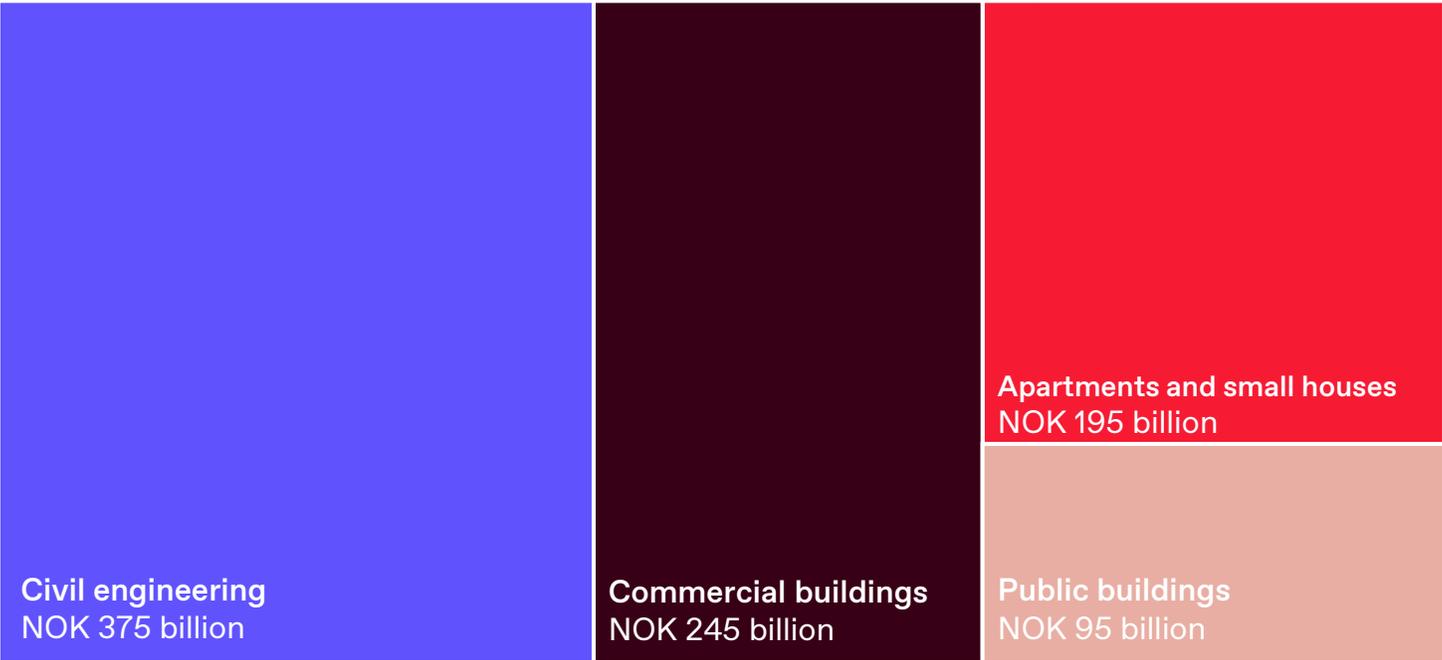
Our focus: the Scandinavian contracting markets

Not included:

- Detached houses and holiday homes
- "Off-the-books work" and household DIY

The contracting markets in 2025

Production of buildings* and infrastructure in NOK billion



Total Scandinavian market 2025:
~ NOK 910 billion



* Residential units: All new-builds, rebuilds and additions, excluding detached houses and holiday homes.
Residential units and commercial buildings: Including an estimate of the transparent ROT market for project sizes >NOK 20 million.
The civil engineering market: Only includes activities classified as investments by national statistics agencies.

Forecasts for the contracting markets in the period 2026–2027

Seven percent growth during the forecast period

Comment

- In 2025, the market shifted from decline to growth. Statistics on areas under construction now show a moderate but positive trend.
- Production will increase by 6% in 2026 and 1% in 2027, following a decline of 5% in 2025. For Scandinavia as a whole, this is in line with the estimates in the autumn 2025 report.
- For Norway and Denmark, the forecasts are virtually unchanged from the autumn report and point to moderate growth both this year and next year.
- The 2026 production forecast for Sweden has been increased to some 10%, based not least on observed project starts in the second half of 2025. The change since the previous report means that more growth will already materialise this year, rather than next year.

Production in the Scandinavian contracting markets

Percentage change since previous year, current prices

	2024	2025	2026	2027
Norway	-8% (-7%)	-8% (-8%)	4% (7%)	4% (5%)
Sweden	-14% (-14%)	-2% (-3%)	10% (7%)	-1% (4%)
Denmark	-12% (-11%)	-6% (-1%)	3% (1%)	3% (3%)
Scandinavia	-11% (-11%)	-5% (-4%)	6% (5%)	1% (4%)
Scandinavia, NOK billion	960	910	970	980

Autumn 2025 forecasts in brackets.

02

Economic environment

The effects of the war in Iran

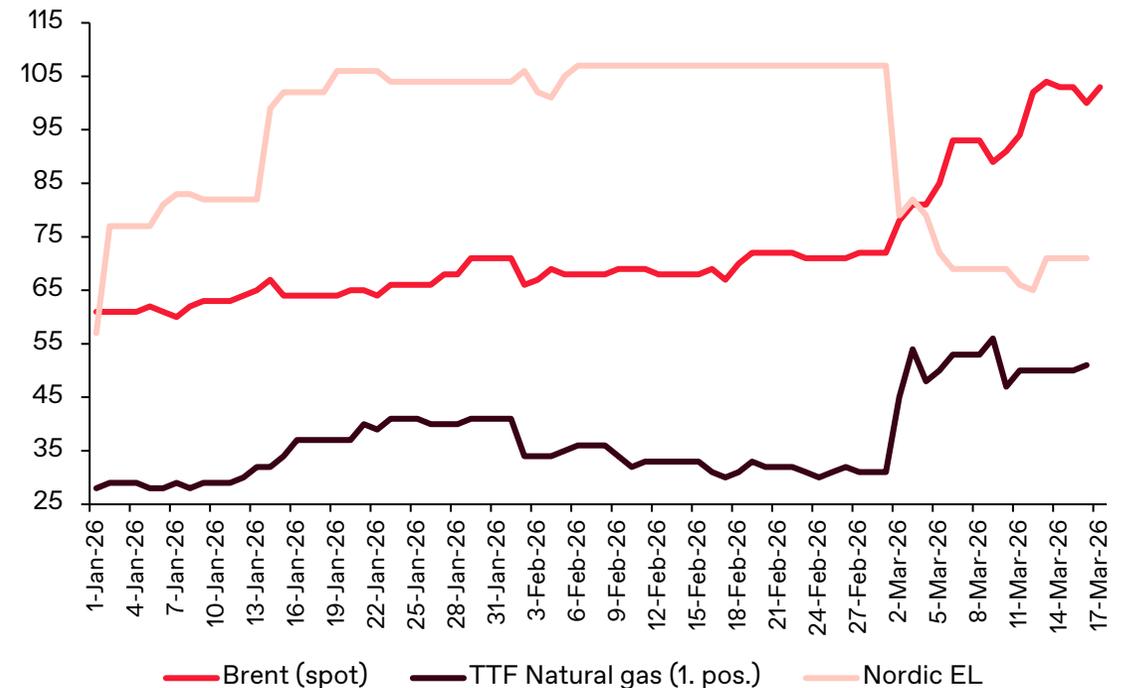
Increased geopolitical risk leads to higher energy prices

Comment

- The war and the increased uncertainty in and around Iran have contributed to higher and more volatile oil and gas prices in recent weeks. At the same time, European power prices have fluctuated more, after a period of rise earlier this winter.
- Traffic through the Strait of Hormuz remains disrupted, and if this persists over time or attacks on energy infrastructure continue, there is a risk of a further rise in oil and gas prices.
- Higher energy prices are generally negative for the Scandinavian mainland economies and may contribute to higher inflation and subdued economic activity. In Norway, rising oil prices also imply support for the krone, which may dampen the effect on import costs, including construction-related intermediate goods.
- For the construction sector, the cost picture is affected through several channels. Material costs are influenced via energy-sensitive inputs such as concrete, bitumen, plastic-based products and steel. At the same time, direct business costs are affected through higher prices for fuel, electricity and transport. Persistently high energy prices thus entail broad cost pressures for the sector.

Oil, gas and Nordic electricity prices

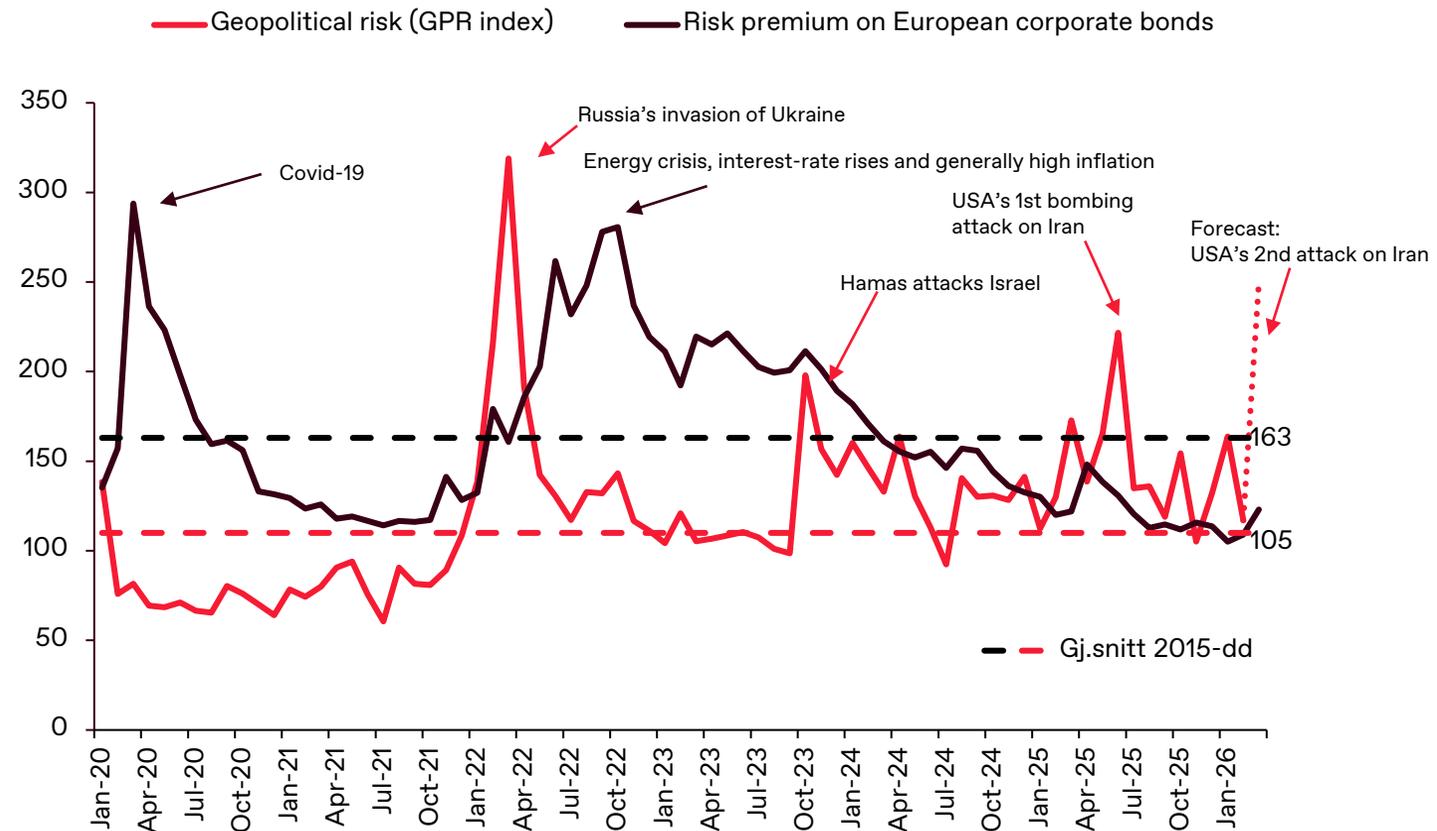
USD and EUR, last observation March 17



Geopolitical snapshot

Geopolitical unrest and risk premium on European corporate debt

- The geopolitical risk indicator (GPR) has increased in 2026. At the time of writing, we do not yet have figures that factor in the effect of US and Israeli attacks on Iran.
- Risk premiums on European corporate bonds continued to fall until the attack but have increased somewhat in recent weeks.
- We interpret the development in the indicators to mean that the financial markets are still pricing in stable and robust economic development in the Eurozone, despite elevated conflict levels and energy prices.



Economic growth

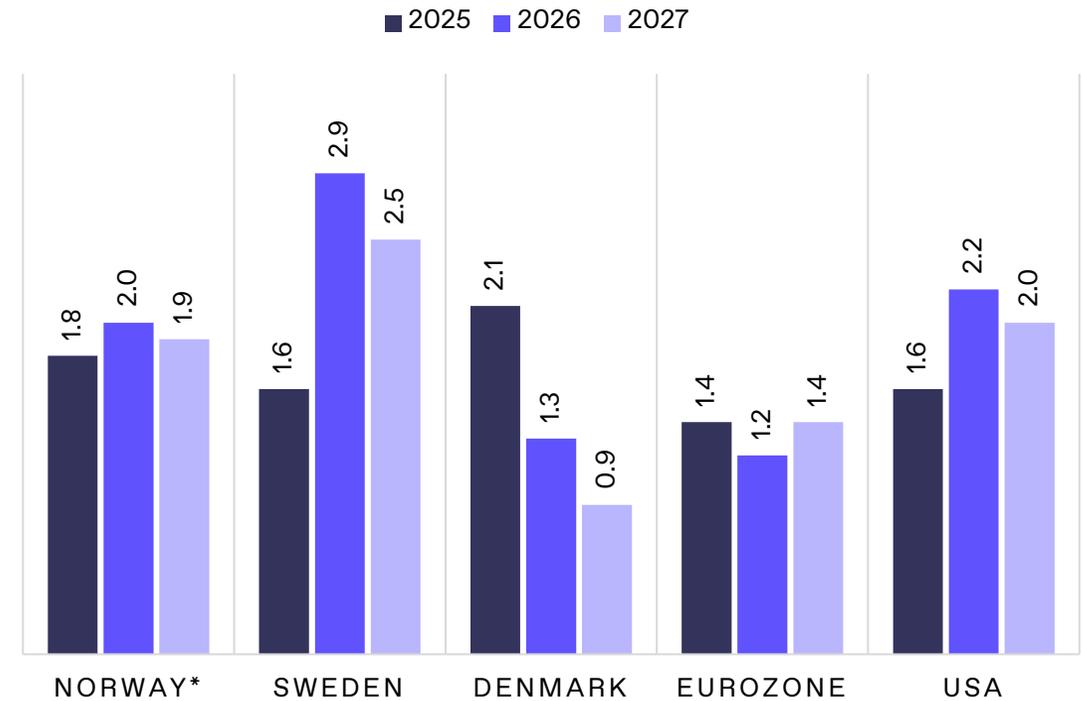
Accelerating growth in Norway and Sweden

Comment

- Economic growth in Norway accelerated in 2025 and is expected to remain strong in 2026 and 2027
- In Sweden, an anticipated upturn failed to materialise for much of 2025, but the trend towards year-end was stronger than expected. Forecasts indicate a clear uptick in activity levels in 2026 and 2027.
- Denmark recorded robust growth in 2025, but expectations for 2026 and 2027 are moderate.
- USA demonstrated greater resilience than expected in 2025, despite increased tariff barriers and political uncertainty. In addition, forecasts indicate continued strong growth in 2026 and 2027. The outlook for the Eurozone (ECB) is largely unchanged, with growth expected to remain moderate in the coming years.
- The forecasts were prepared in December and February 2026 based on the sources listed below.

GDP growth

Percentage change compared to previous year



* Mainland Norway

Household purchasing power and job security

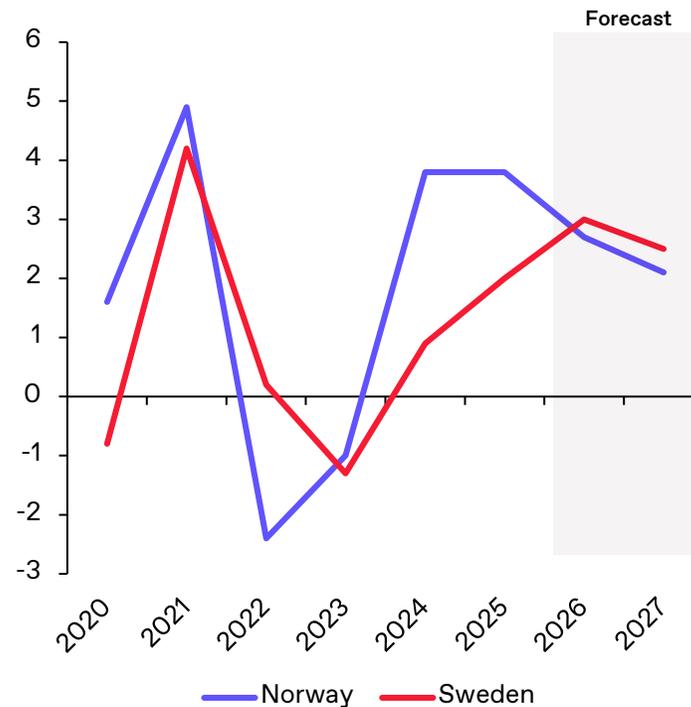
Strong increase in purchasing power; unemployment has peaked

Comment

- The labour market has proven robust in all three countries over the past year. While unemployment increased somewhat in 2025, it is expected to decline gradually over the next two years.
- Robust household finances will make a positive contribution to demand in the construction sector, although the contribution from interest rates is expected to be neutral and approximately as at present.
- The forecasts for Norway and Sweden were prepared in December and February 2026, while the forecast for Denmark was prepared in March. See sources below.

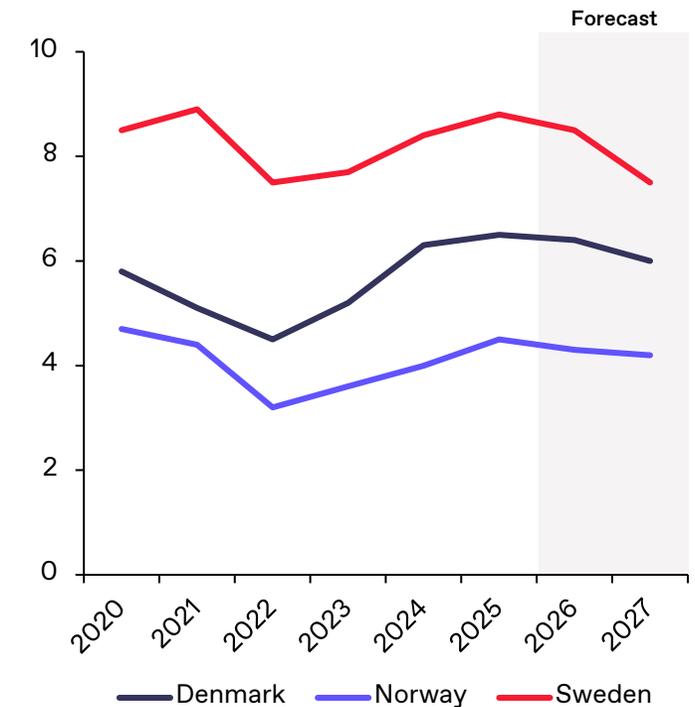
Household purchasing power is increasing ...

Annual growth in real disposable income, households, %



...while job security remains stable

Unemployment, % of working persons aged 15–74

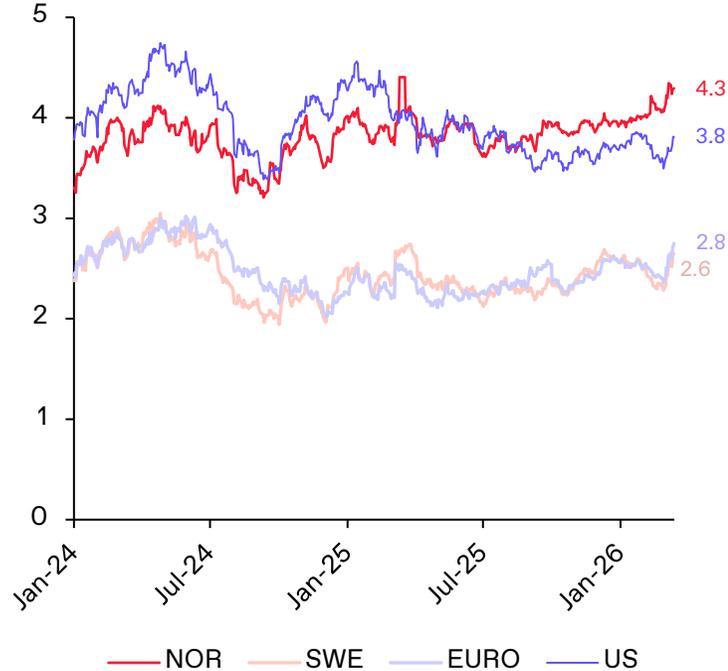


Inflation and interest rates

No further stimulus expected

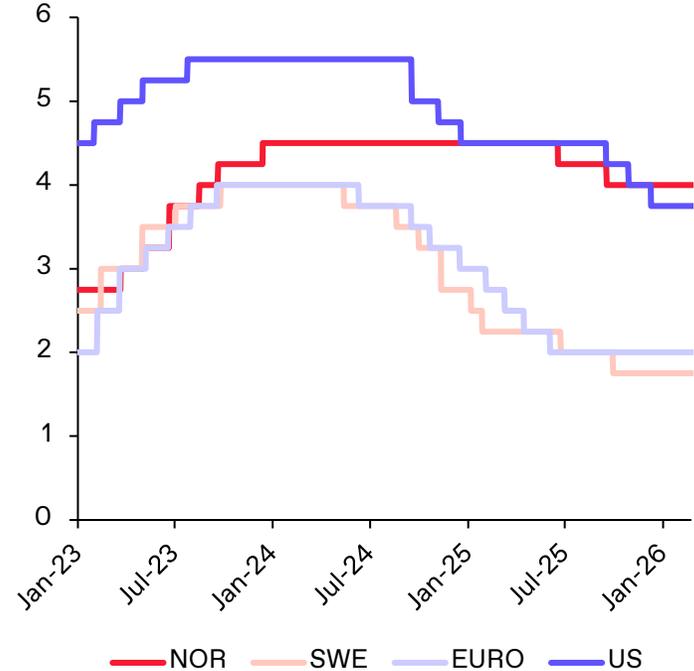
Market rates are rising...

Five-year swap rates, %, latest observation 17 March



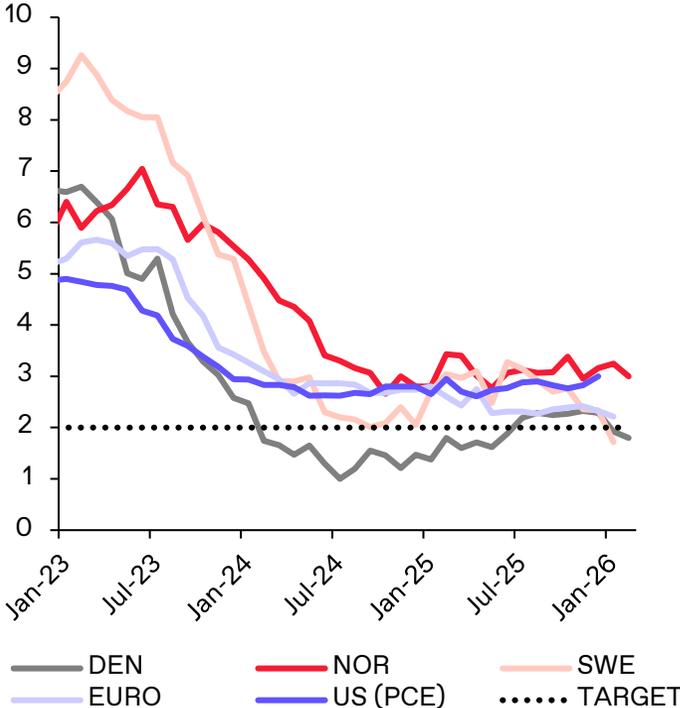
...while key policy rates have been cut

Key policy rates, %, latest observation 17 March



Inflation is close to the 2% target

Core inflation, latest observation Jan./Feb. 2026



Demographic developments

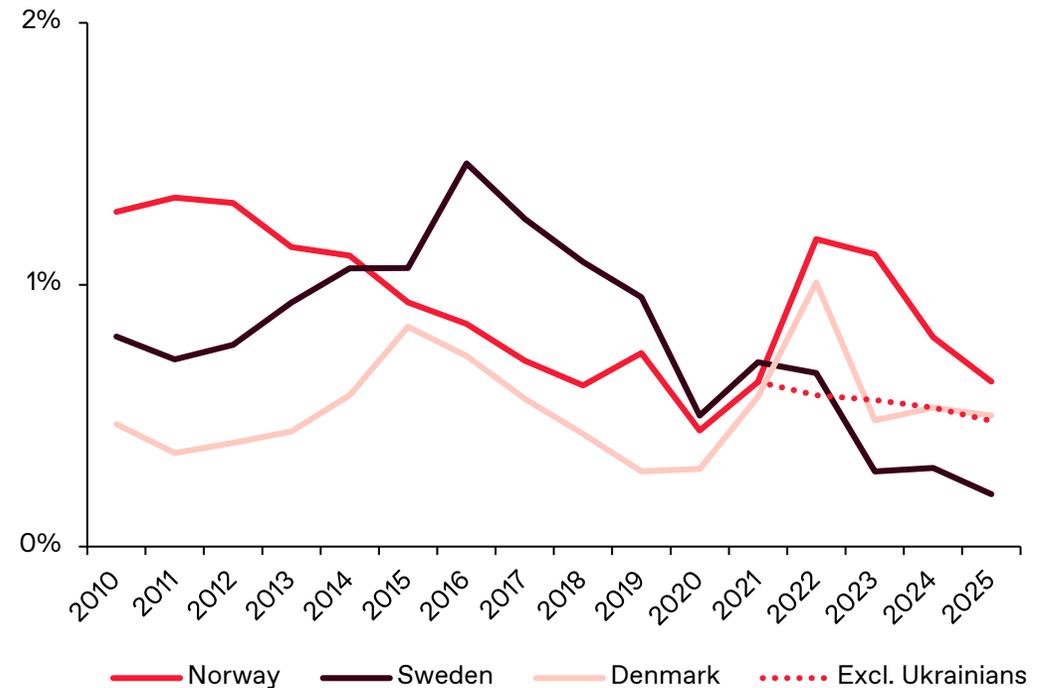
Declining population growth in Norway and Sweden

Comment

- Population growth is an important long-term driver of activity levels in both the construction and the infrastructure market.
- While population growth in Norway fell to 0.6% in 2025, both the increase and the decrease observed in the past three years are attributable to refugees from Ukraine. Adjusted for immigration from Ukraine, population growth was stable at 0.5% in 2025. At a modest 0.2%, Sweden's population growth was approximately on a par with the two preceding years.
- Lower population growth than in earlier decades is attributable to lower birth rates and reduced immigration. Demographic changes are expected to reduce the need for new day-care centres and schools in the longer term, while we expect a long-term increase in demand for healthcare buildings.
- Demographic trends are similar across the Scandinavian countries, but are strongest in Norway and Sweden.

Population growth

Annual growth, %



* As at Q2 2025

03

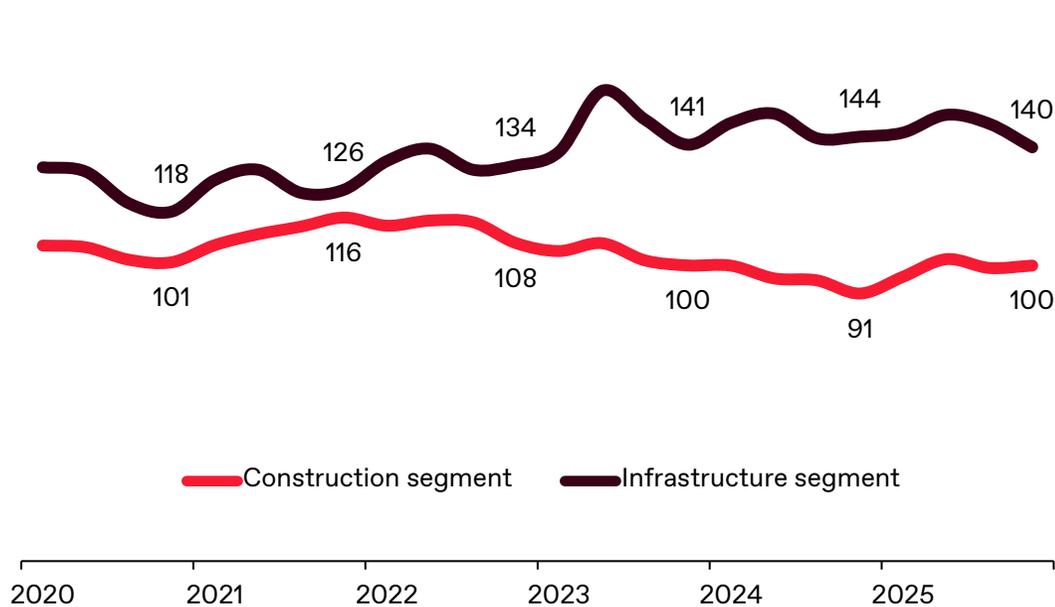
The contracting markets

Estimated order intake, construction operations

Stable order intake for construction, lower intake for infrastructure

Order book, listed companies, Nordic operations

Reporting companies, estimates in NOK/SEK billion according to reported currencies



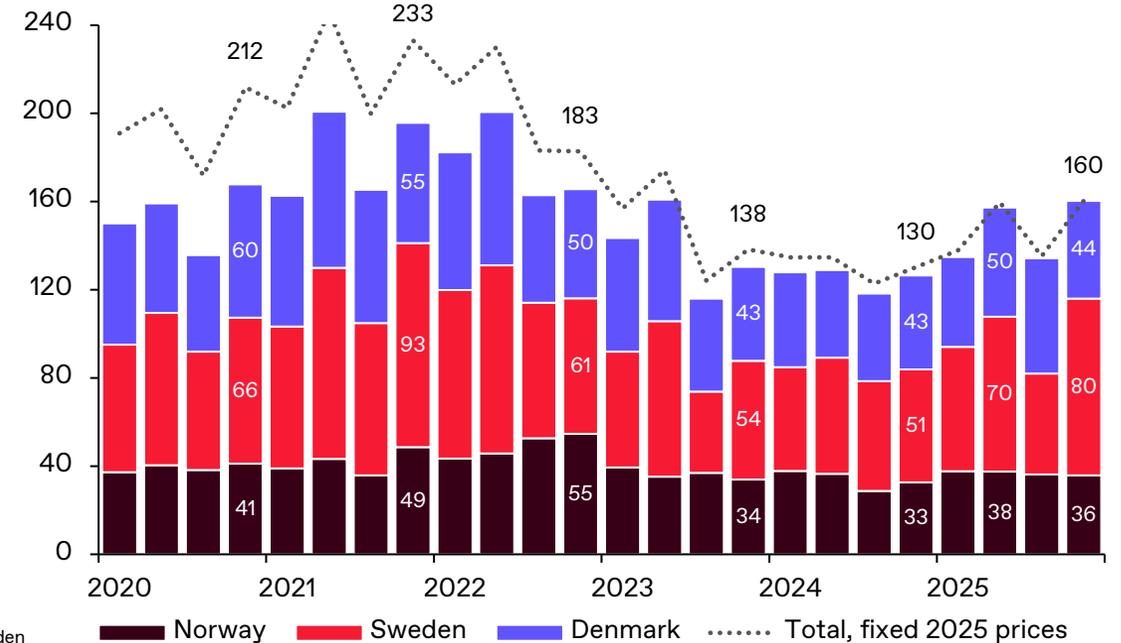
Construction includes Construction Norway, Construction Sweden, Hoffmann, AF Bygg, Betonmast, Peab Construction, NCC Building Sweden and NCC Building Nordic

Infrastructure includes Infrastructure Norway, Infrastructure Sweden, AF Anlegg, Peab Infrastructure, NCC Infrastructure and Skanska Nordic

Figures are not adjusted for currency and have therefore been aggregated in the original currency.

Estimated order intake, Scandinavian construction projects

NOK billion. Based on registered building permits

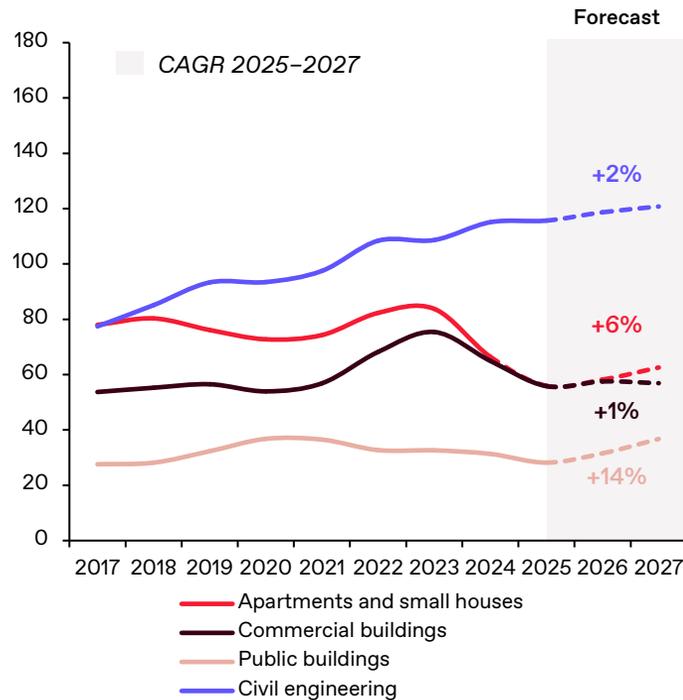


The Scandinavian contracting markets

Historical figures and forecasts, current prices

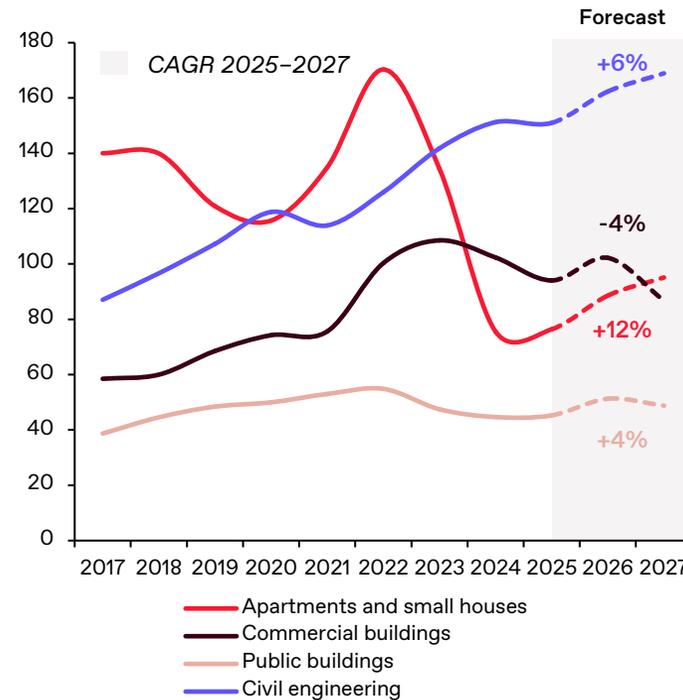
Norway, production by sector

NOK billion, current prices



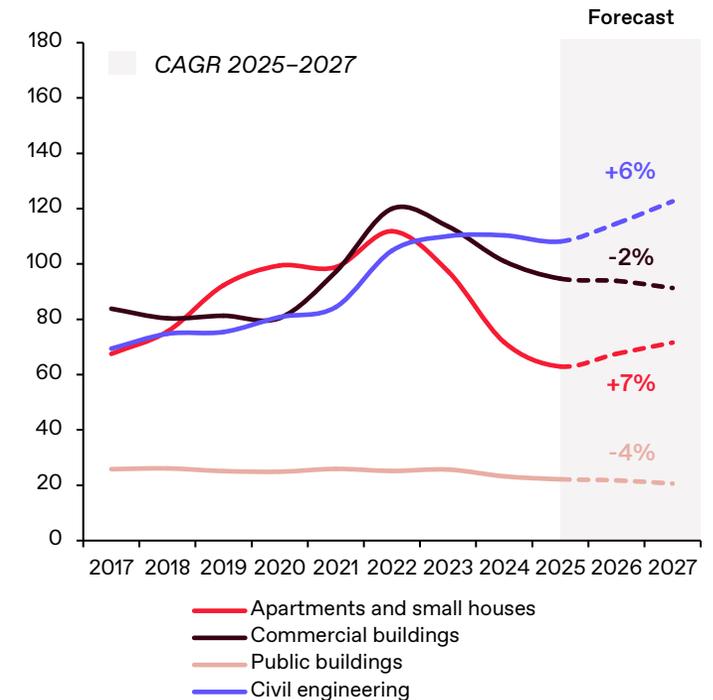
Sweden, production by sector

NOK billion, current prices



Denmark, production by sector

NOK billion, current prices

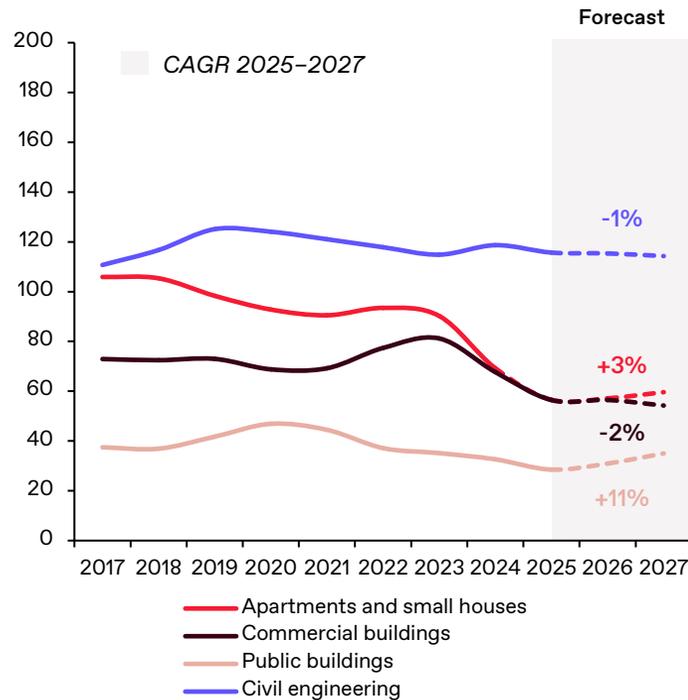


The Scandinavian contracting markets

Historical figures and forecasts, inflation adjusted

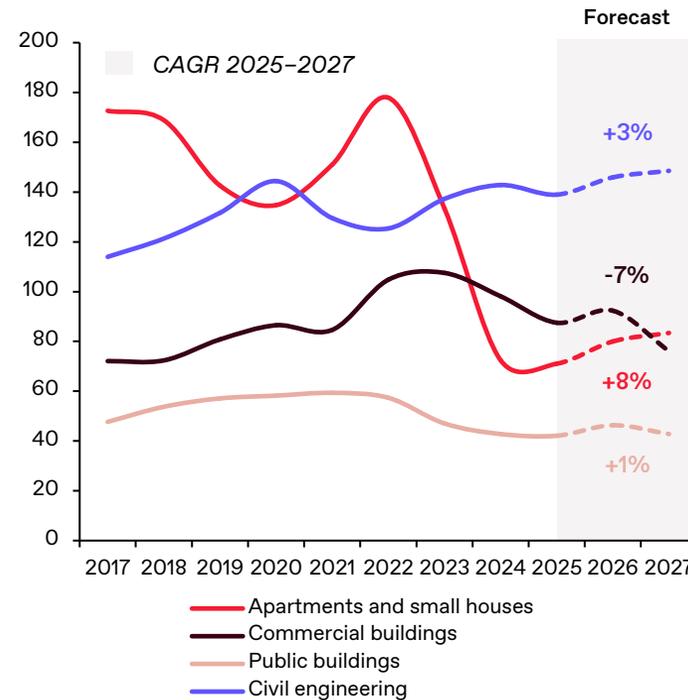
Norway, production by sector

NOK billion, fixed prices



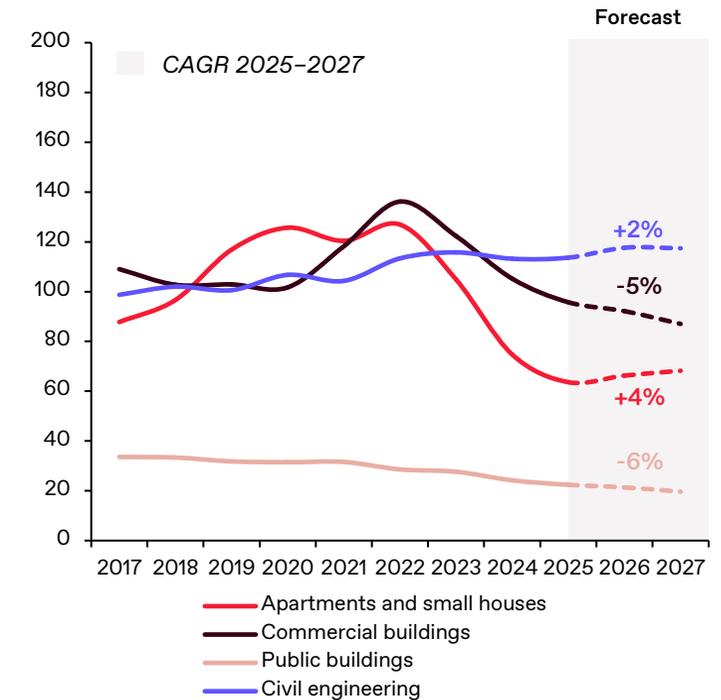
Sweden, production by sector

NOK billion, fixed prices



Denmark, production by sector

NOK billion, fixed prices

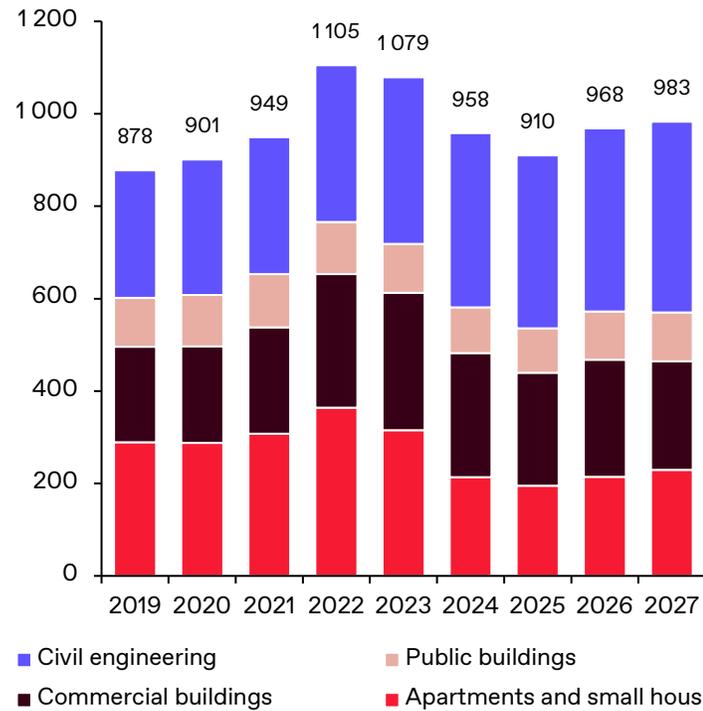


The Scandinavian contracting markets

Sector and country distribution

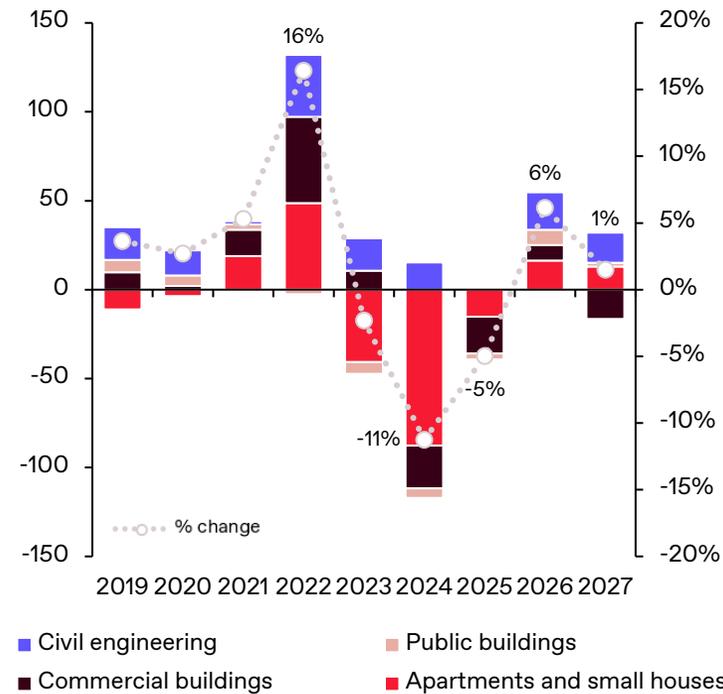
Sector distribution

NOK billion, forecast 2026–2027



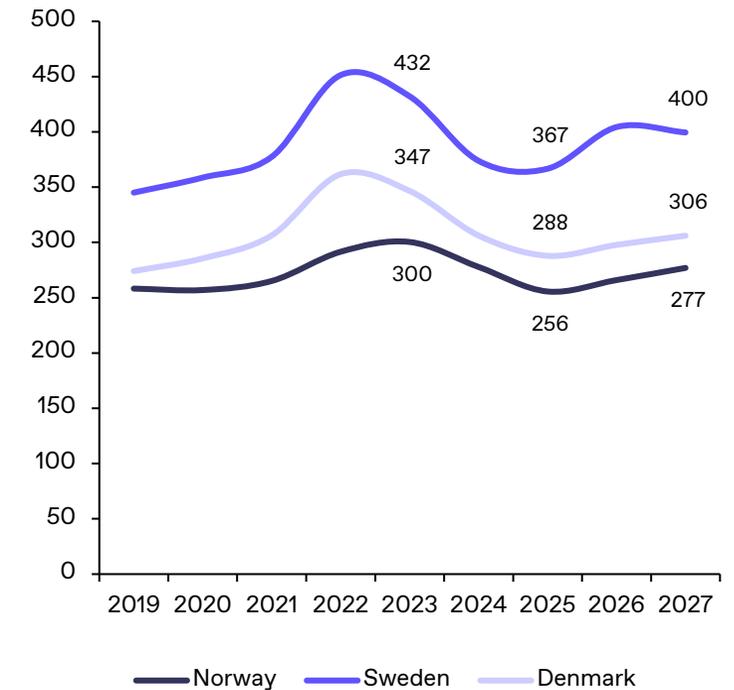
Year-on-year change by sector

NOK billion, forecast 2026–2027



Country distribution

NOK billion, forecast 2026–2027



The contracting markets

Construction

New residential unit sales in Norway

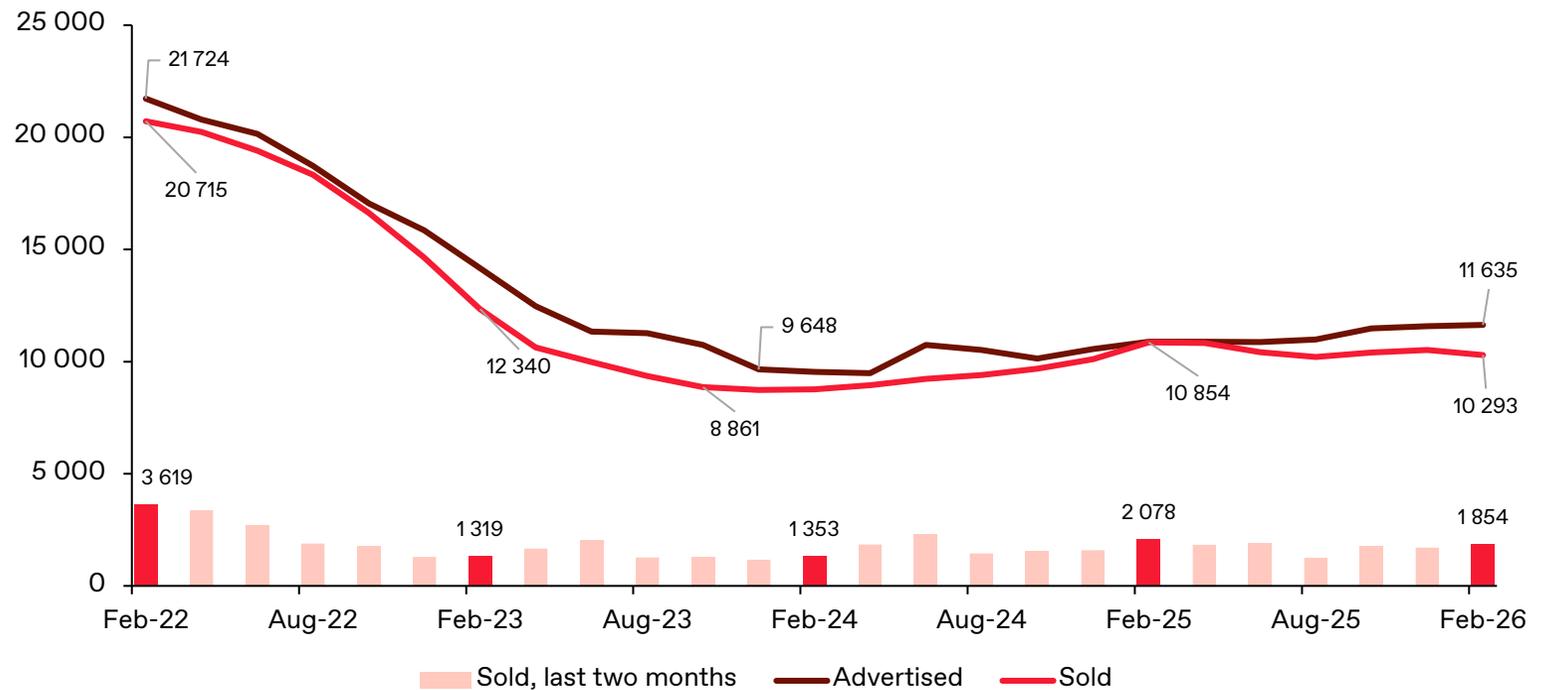
A temporary slowdown?

Comment

- In the 12 months to February 2026, approximately 10,300 apartments were sold, representing a slight decrease from the same period last year.
- Sales have been somewhat weaker than the number of apartments advertised for sale. The stock of unsold units, most of which have not yet been started, has therefore increased slightly. The number of completed but unsold units has fallen slightly over the past 12 months.
- Although expected growth did not materialise in 2025, we are still forecasting slightly higher sales in 2026 and 2027. The main reason for this is that sales are at historically very low levels, while most indicators for population growth and household spending power are very strong.

Ready-for-sale and sold apartments

Number of units, 12-month rolling total and last two months. latest observation February 2026



Apartments and small houses in Norway and Sweden

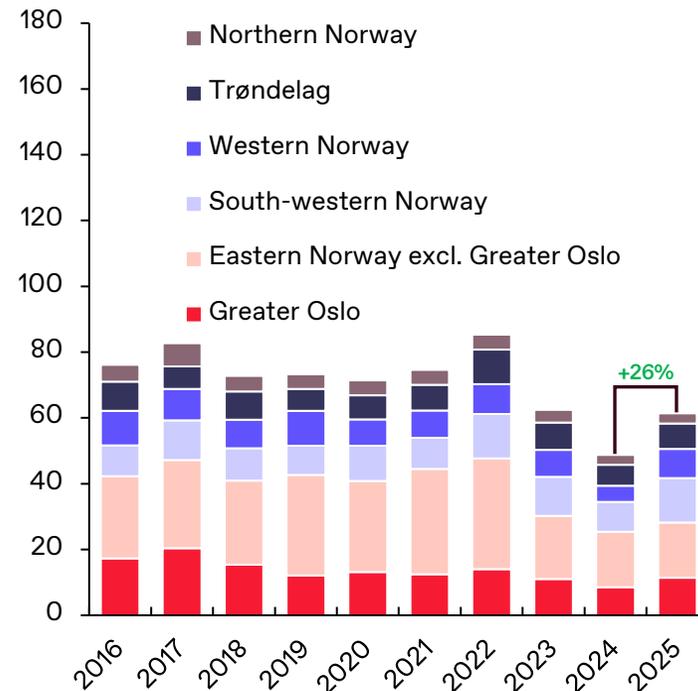
Growth in both countries, but from a low level

Comment

- The intake of orders for new apartments and small houses grew significantly in 2025, compared to 2024: up 26% in Norway and up 27% in Sweden.
- In Norway, growth is evident in all geographical regions, although volumes remain moderate in Eastern Norway outside Oslo, where the market was very large until 2022.
- In Sweden, the number of building starts is rising in all major urban regions.
- Following stronger-than-expected growth in 2025, forecasts indicate flat growth in project starts in 2026 and some growth in 2027. This applies to both Norway and Sweden.

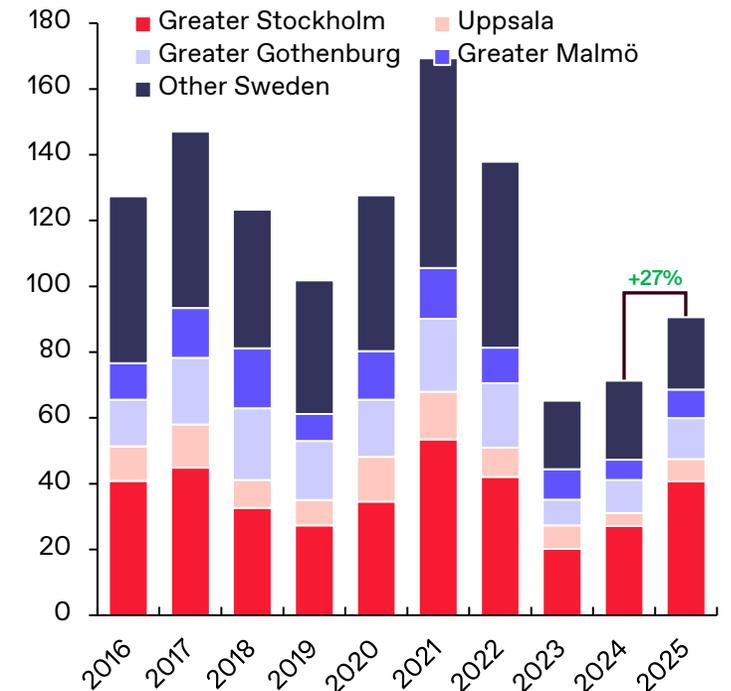
Norway, estimated order intake

NOK billion



Sweden, estimated order intake

NOK billion



Commercial buildings in Norway and Sweden

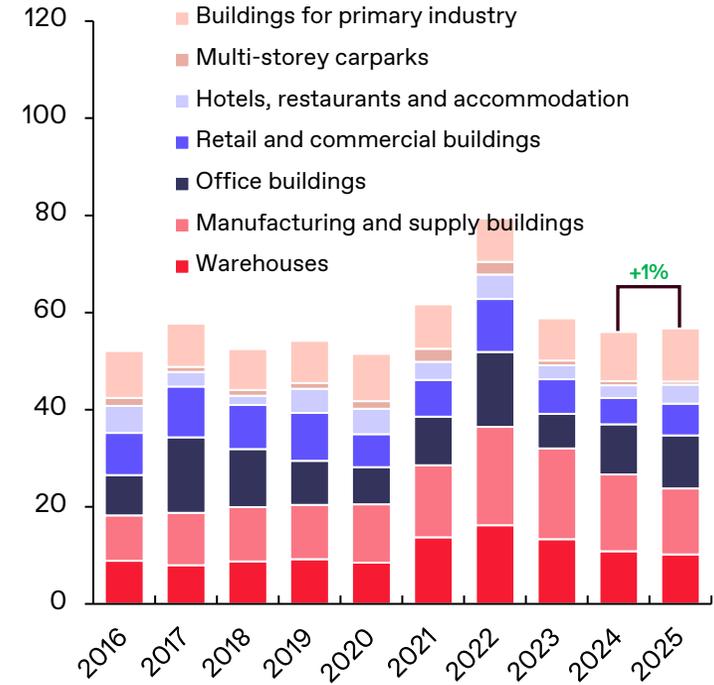
Norway stable, Sweden growing

Comment

- The order intake for commercial buildings stayed flat in Norway in 2025, but grew by 20% in Sweden year-on-year.
- Norway saw a slight decline in manufacturing-related buildings, while offices and retail increased. In Sweden, project starts in the industry and warehouses segment were on a par with the record year of 2023 – higher than anticipated.
- In Norway, we expect a continued, reasonably high but flat level in 2026 and 2027, and a drop in project starts in Sweden from last year's record high.

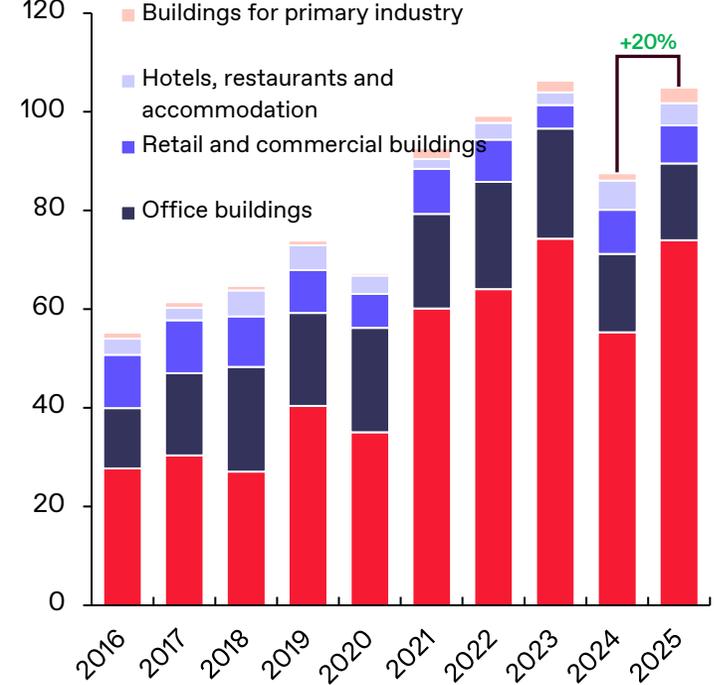
Norway, estimated order intake

NOK billion



Sweden, estimated order intake

NOK billion



Public buildings in Norway and Sweden

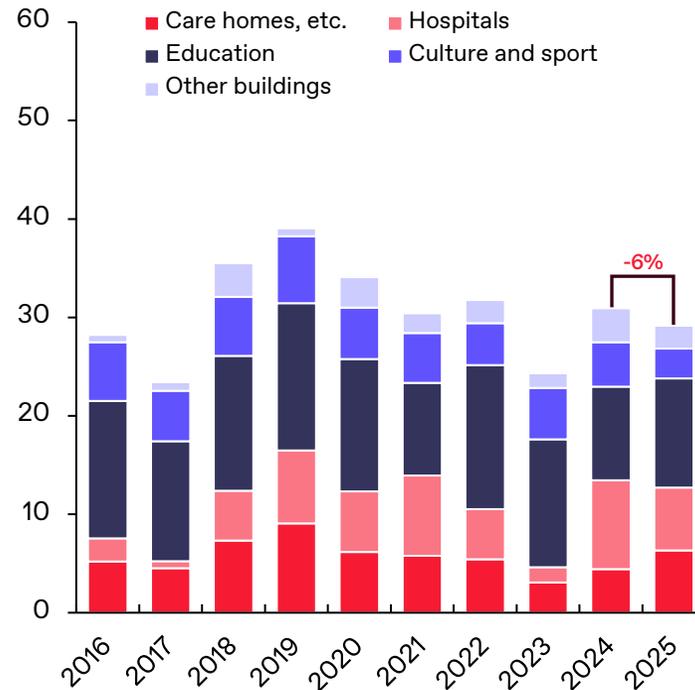
Temporary decline in hospital projects in Norway; growth in Sweden

Comment

- In 2025, the number of public building starts fell 6% in Norway, but was up 35% in Sweden.
- The decline in Norway is mainly due to fewer new hospital projects, although the education segment and care buildings showed growth. Activity levels are expected to pick up again in 2026 and 2027, as several hospital projects have already been greenlit.
- In Sweden, growth is primarily being driven by new health and care buildings
- An ageing population and low birth rates are expected to make health and care projects a major priority in the years ahead.

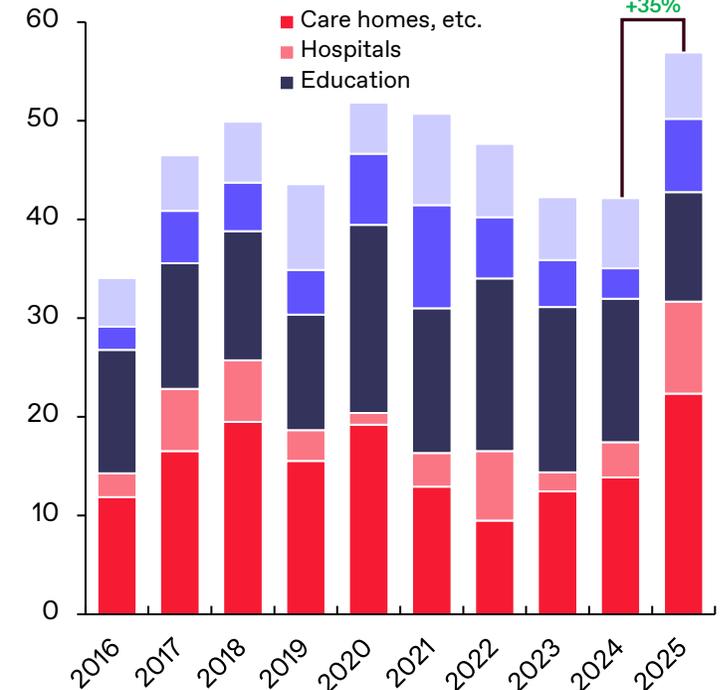
Norway, estimated order intake

NOK billion



Sweden, estimated order intake

NOK billion



Commercial buildings in Denmark

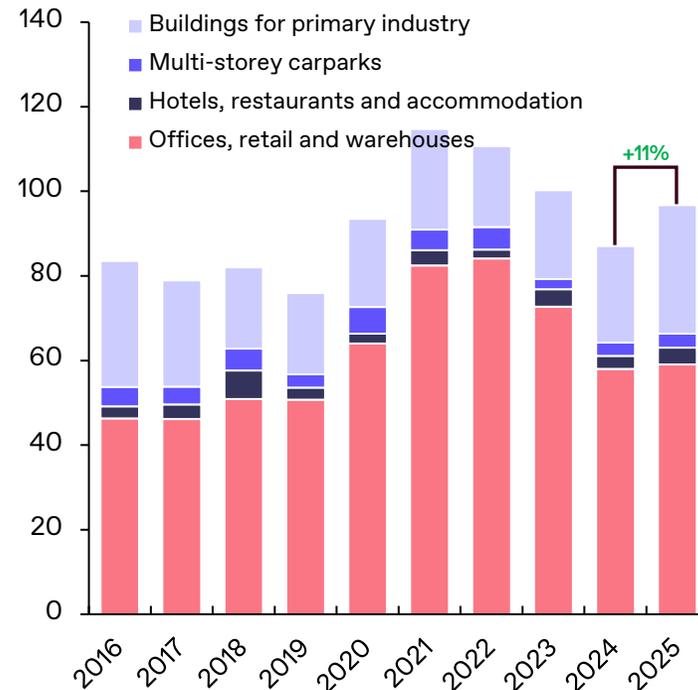
Flat development excluding buildings related to the primary sector

Comment

- The figures for 2025 show an increase in both commercial and public buildings. In the private sector, it was particularly primary industries which saw an increase in project starts, while other segments remained stable.
- As regards public buildings, the education sector in particular saw further growth in demand from very low levels in 2024.
- Growth was stronger than expected in both sectors, and we expect a slight decline but continuing acceptable levels in 2026 and 2027.

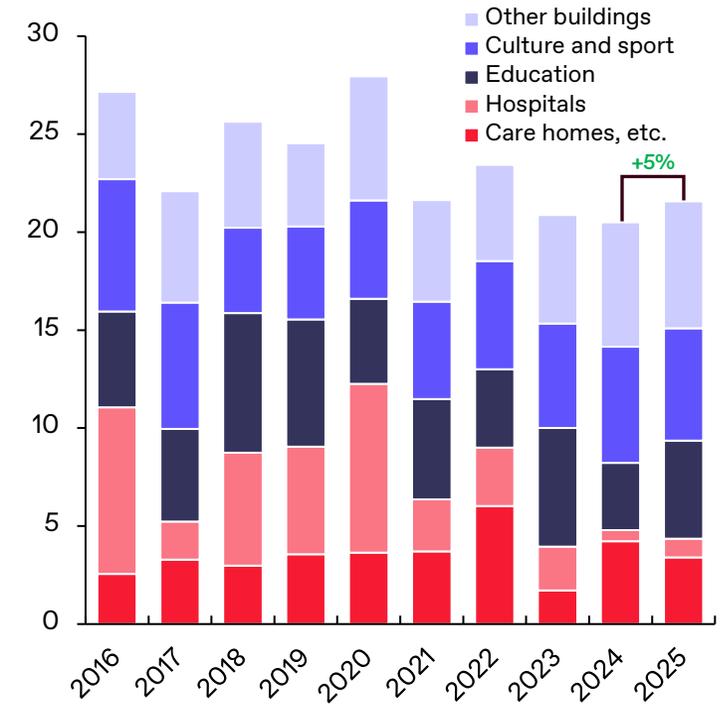
Commercial buildings

Estimated order intake, NOK billion



Public buildings

Estimated order intake, NOK billion



Statistics Denmark's construction area statistics for 2024 and 2025 remain provisional and may be revised. Our data are based on Statistics Denmark's data, which are corrected for delays.

The contracting markets

Infrastructure

The civil engineering market in Norway and Sweden

High production throughout the forecast period

Comment

Norway

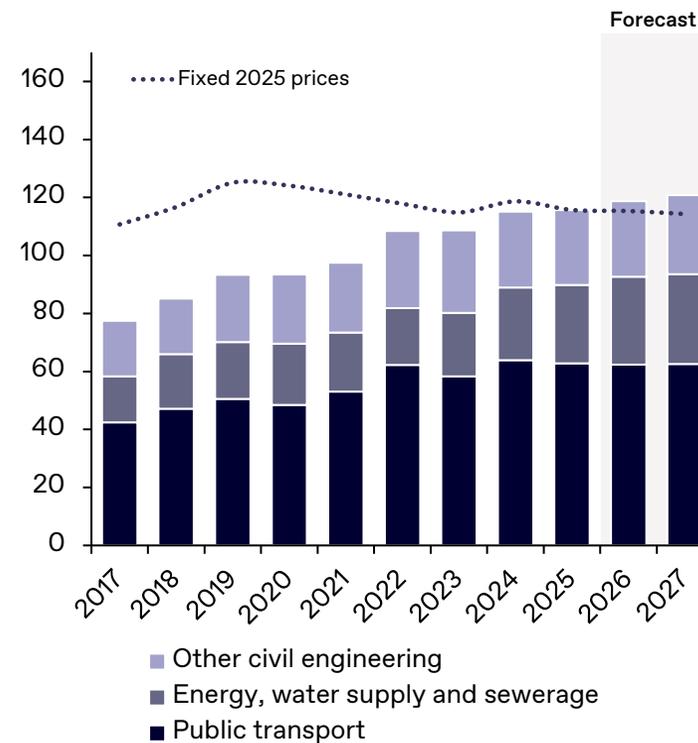
- Growth in the civil engineering market is estimated at 3% in 2026 and 2% in 2027, measured in value terms. The forecasts are virtually unchanged since our autumn 2025 report.
- High production in the public transport sector throughout the forecast period, mainly in the roads market.
- Strong growth in power transmission in 2026 and 2027, while the water supply and sewerage sector will maintain a high level of production.

Sweden

- The Swedish civil engineering market is expected to grow by 8% in 2026 and 4% in 2027. The forecast has been raised slightly since last autumn's report.
- New investments in railways and energy stand out as clear growth drivers.
- Road construction remains at a stable level.

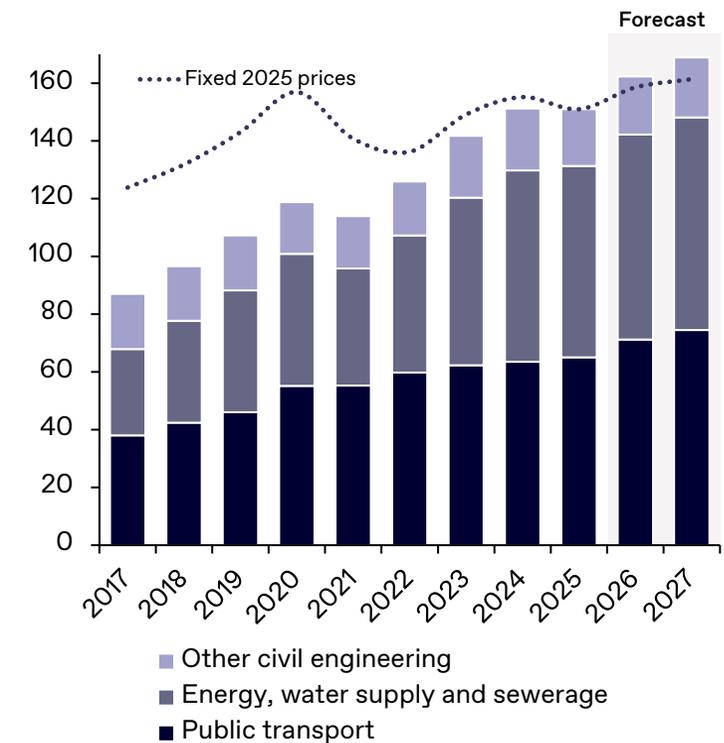
Norway, production

NOK billion, current prices



Sweden, production

NOK billion, current prices



Infrastructure

Public transport

Transport infrastructure in Norway

Continued high level of road construction, but decline in the railway market

Comment

Roads

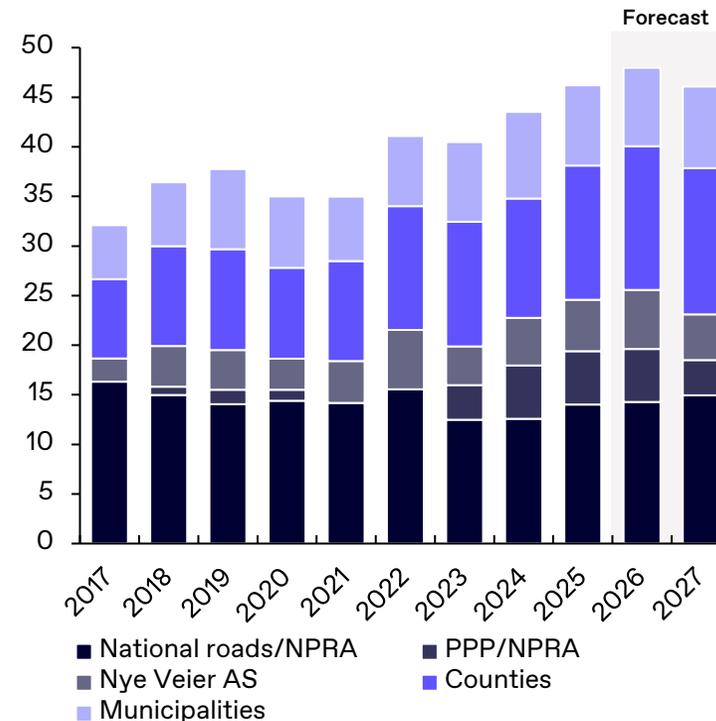
- The numerous major government projects currently underway provide a basis for higher production until 2027.
- Last year's uptick in production will result in slightly lower growth this year.
- More transparent project information from Nye Veier has triggered a material reduction in its activity forecast.

Railways

- Bane NOR is cutting its investment activity more than previously anticipated. The figures for 2025 and the forecast for 2026 have therefore been significantly reduced.
- The start-up of the Arna–Stanghelle joint project is expected to contribute positively in the longer term.
- Railway investment levels are clearly below the levels set out in the National Transport Plan, due to a low implementation rate at the start of the plan period.

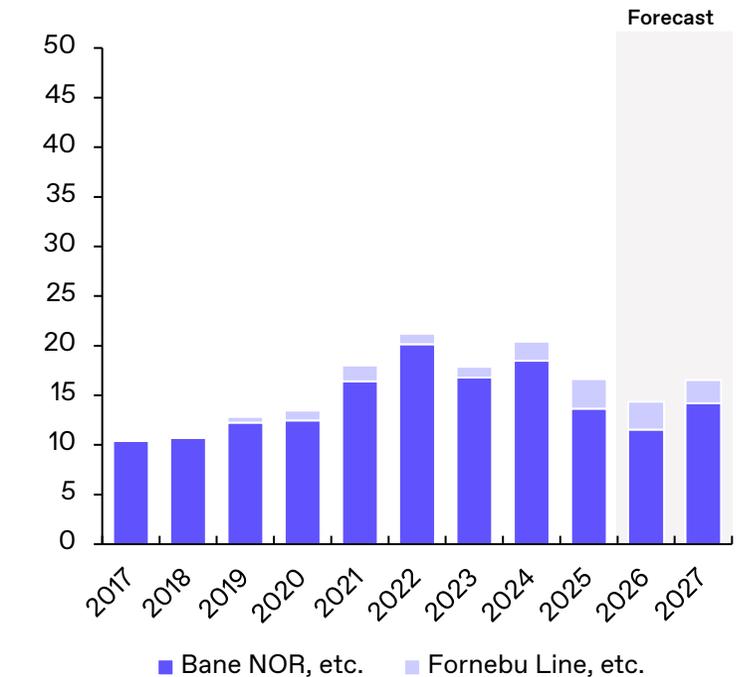
Roads market, production

NOK billion, current prices



Railways market, production

NOK billion, current prices



Transport infrastructure in Sweden

Strong growth in the railways market

Comment

Roads

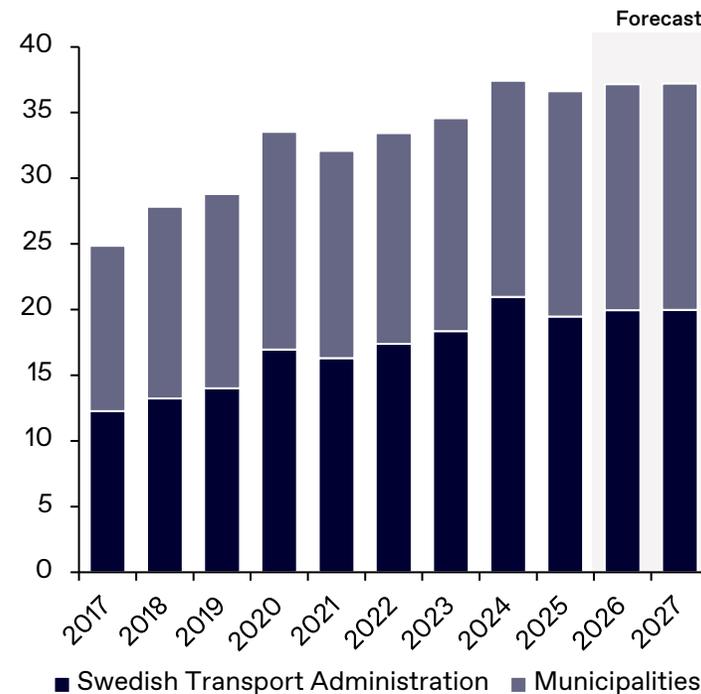
- As in the previous report, production growth is expected to remain relatively flat.
- This assessment is based on information about major projects and the Swedish Transport Administration's updated investment plans.

Railways

- Rail investments are expected to increase sharply in 2026 and 2027, in line with the ambitions of the Swedish Transport Administration's investment plan and the National Transport Plan.
- Two very large construction contracts have been awarded on the Östlänken project. At the same time, metro construction in Stockholm is continuing, and activity is ramping up in Uppsala's tram construction project.

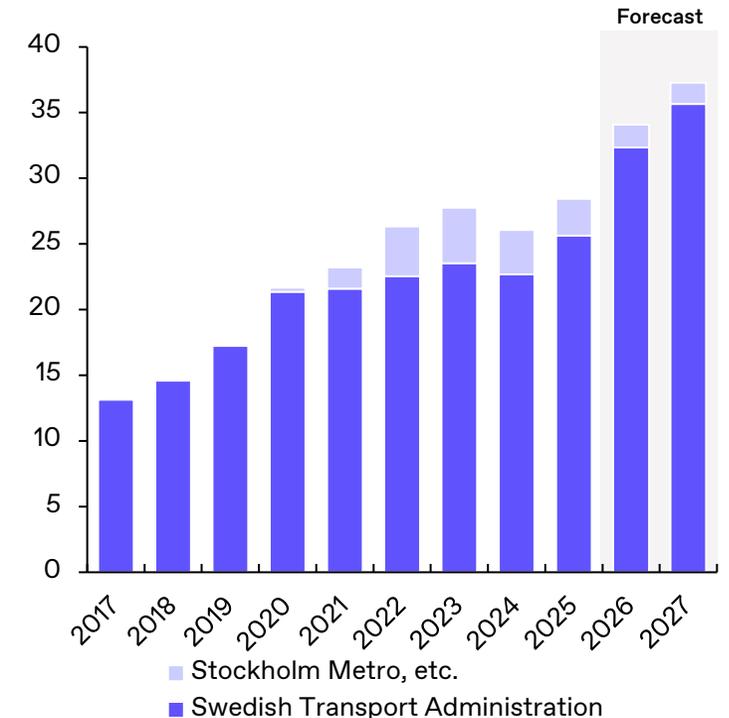
Roads market, production

NOK billion, current prices



Railways market, production

NOK billion, current prices



Infrastructure

Road maintenance

Road maintenance, Norway

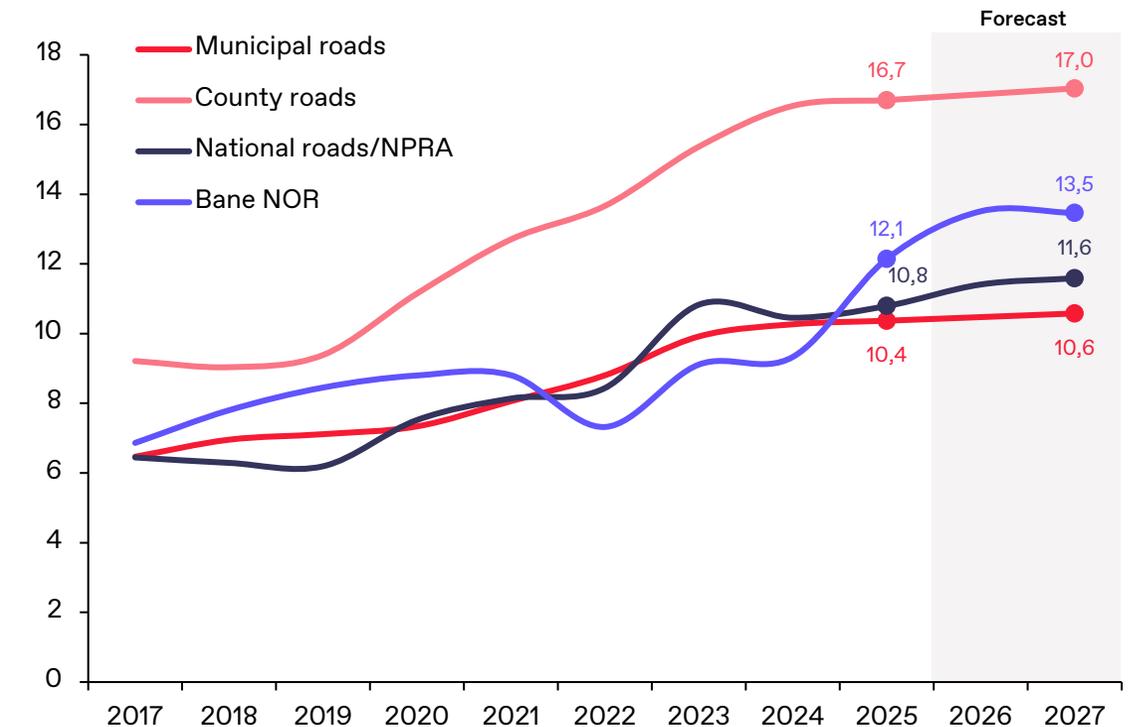
High priority going forward

Comment

- Norway has a substantial maintenance backlog on its road and rail networks.
- The National Transport Plan 2025–2036 gives high priority to operation, maintenance and renewal, as already reflected in increased budget allocations to national roads and railways.
- Activity levels related to county and municipal roads are high in 2026, with prospects of moderate future growth.
- Operation and maintenance activity on the railway network increased significantly in 2025 and is expected to remain at a stable, high level in 2026 and 2027.

Road maintenance by clients and segment

NOK billion



Infrastructure

**Energy, water supply and
sewerage**

Norway: energy, water supply and sewerage

Growth continues

Comment

Energy

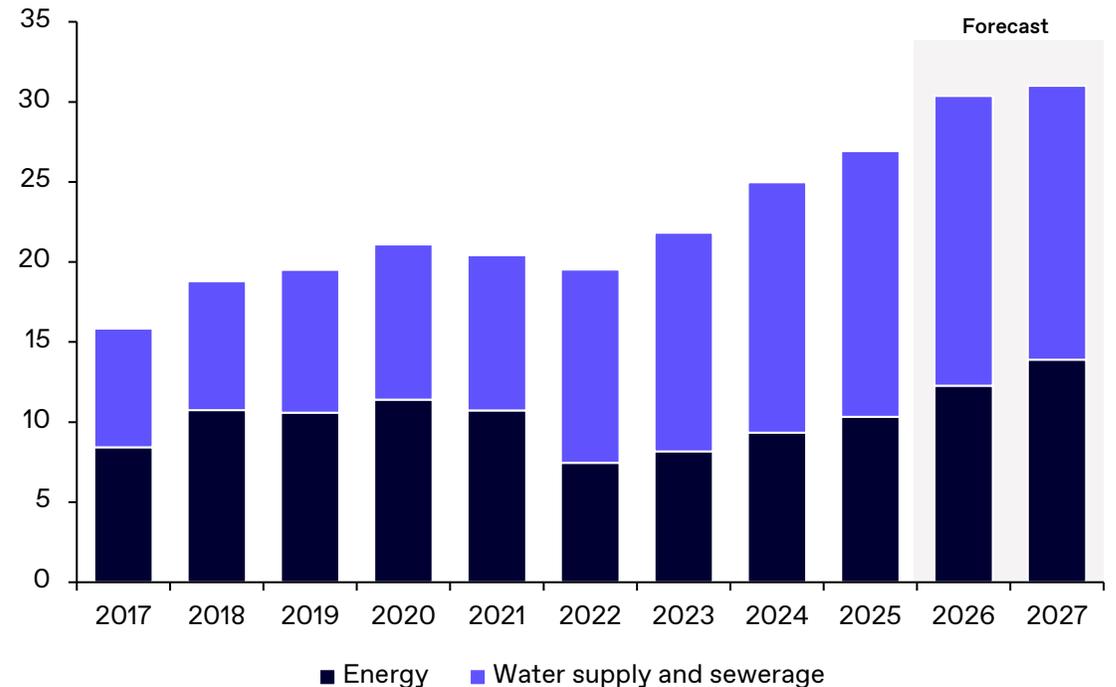
- According to the Norwegian Water Resources and Energy Directorate (NVE), growth in new production capacity has been low in recent years. Construction activity in the production sector will therefore mainly be linked to upgrading and expanding existing facilities.
- Power transmission and distribution will drive growth in the energy market in the period to 2027.
- Statnett has a high level of activity in the central grid, with several major investment projects, while activity is also high in the regional grid.
- Forecasts have been raised since the last report, and overall we expect nearly 30% growth in the energy market in the period to 2027.

Water supply and sewerage

- Underlying growth in the water supply and sewerage sector is strong, and the market is further strengthened by increasing activity related to treatment plants.
- Estimated growth in 2026 has been increased since the previous report, while growth in 2027 has been reduced slightly as major development projects linked to Oslo's water supply approach completion.

Production

NOK billion, current prices



Sweden: energy, water supply and sewerage

Growth continues

Comment

Energy

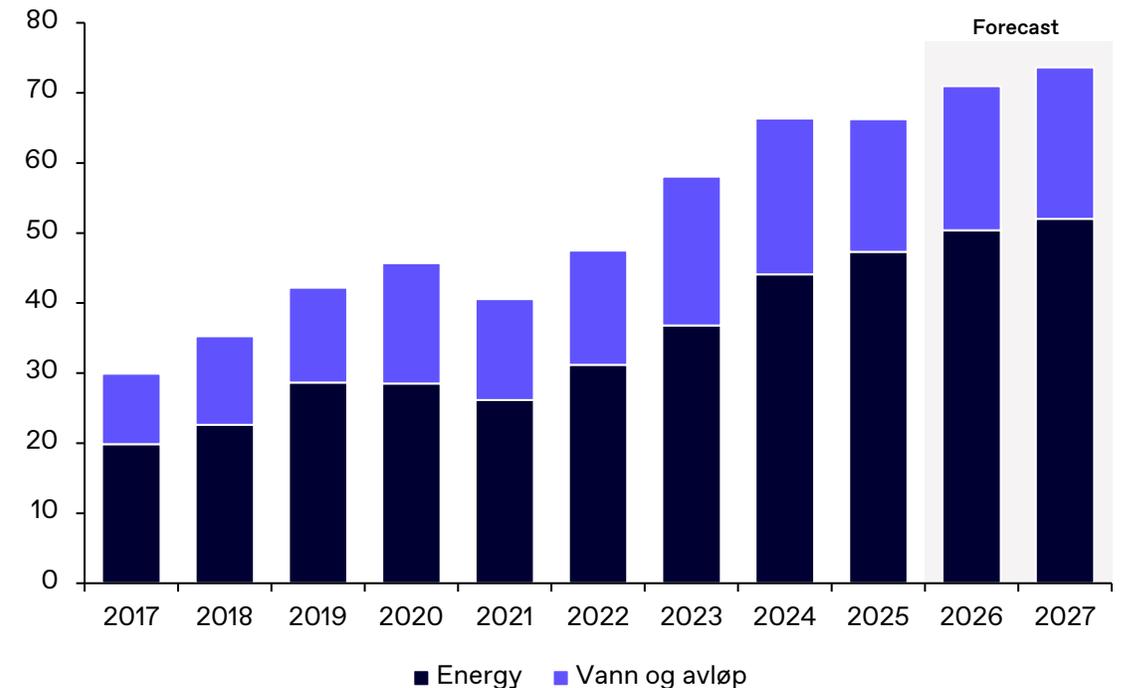
- Power transmission and distribution will drive growth in the energy market in the period to 2027.
- Svenska kraftnät has registered a high level of activity in the transmission grid, with several major projects linked to expansion of the 400 kV grid. At the same time, the investment plans of several regional grid companies indicate increased activity.
- Overall, we expect growth of 10% in the energy sector in the period to end-2027.

Water supply and sewerage

- The outlook for the period to 2027 is considered positive, following what we consider to be a temporary decline in 2025. We anticipate overall growth of 14% in the period to end-2027.
- The growth drivers are ageing infrastructure, stricter EU requirements related to purification and emissions, and the need for robustness in the face of flooding and extreme weather.

Production

NOK billion, current prices



04

Construction costs

Construction cost indices

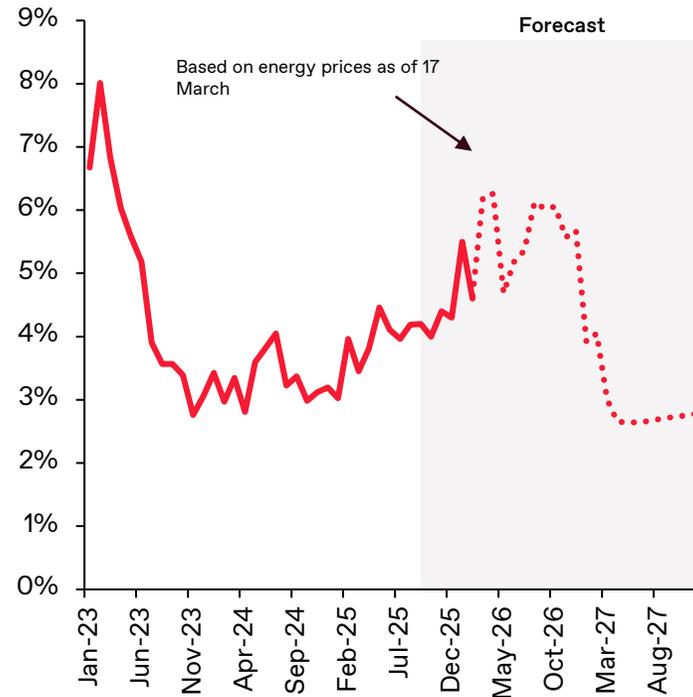
Reasonably stable, but higher than desirable

Comment

- In February 2026, construction cost inflation totalled 4,6% in Norway and 2,3% in Sweden
- In January, sharp increases in electricity prices triggered an unexpected but probably temporary jump in the index for Norway.
- High wage growth has been an important driver in recent years, particularly in Norway. Wage growth is forecast to be lower in 2026 and 2027, which in isolation will result in lower inflation.
- Material prices have experienced stable inflation in recent years, but at the time of writing there is considerable uncertainty about energy prices. Although the situation cannot yet be compared with developments in the spring of 2022, forecasts have become far less certain.

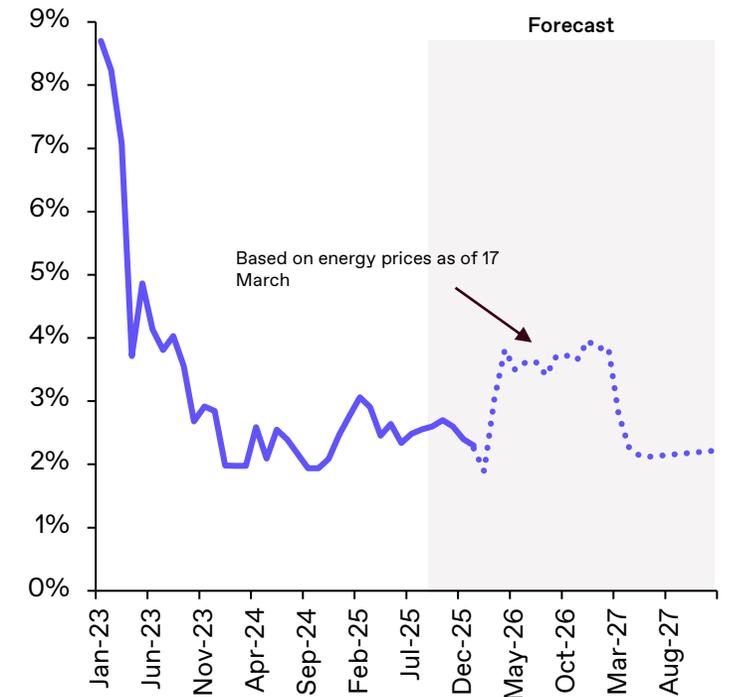
Construction cost index, residential blocks, Norway

Percentage change compared to same month last year



Construction cost index, residential blocks, Sweden

Percentage change compared to same month last year



Norway: construction cost index, civil engineering

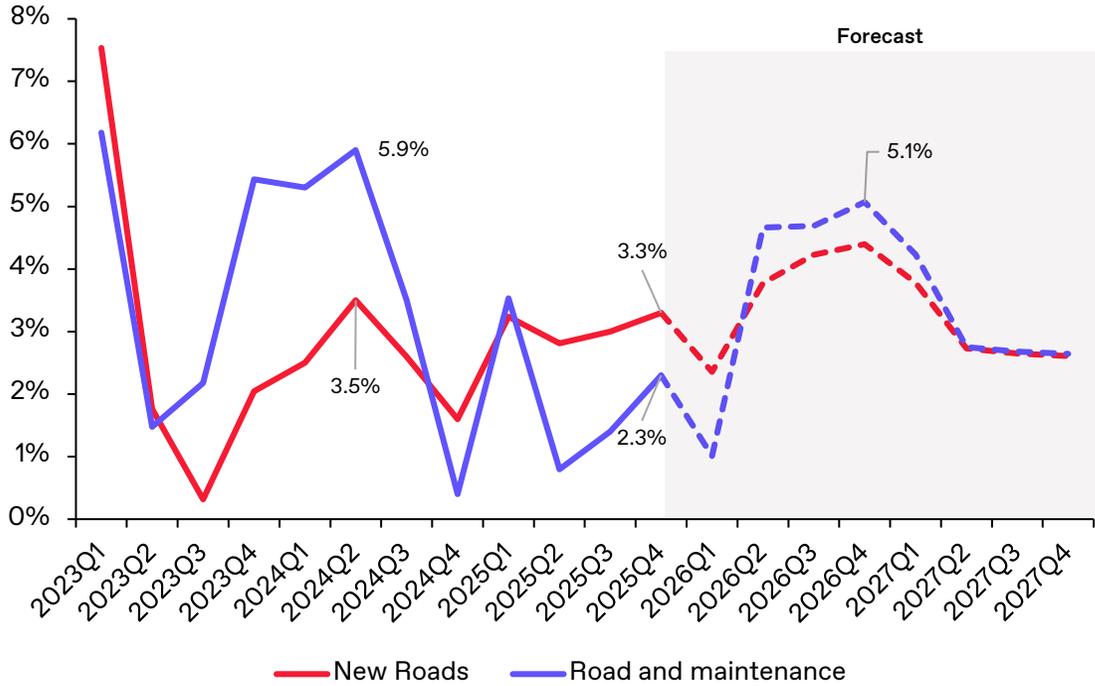
Sensitive to developments in international energy prices

Comment

- In Q4 2025, price growth totalled 2.3% in the operation and maintenance segment and 3.3% for new-build projects. Index inflation is sensitive to fuel price developments.
- Current uncertainty about international energy prices equates to highly uncertain forecasts. Current forecasts are based on international oil-price indices as of 17 March 2026.

Construction cost index, roads

Percentage change compared to same month last year

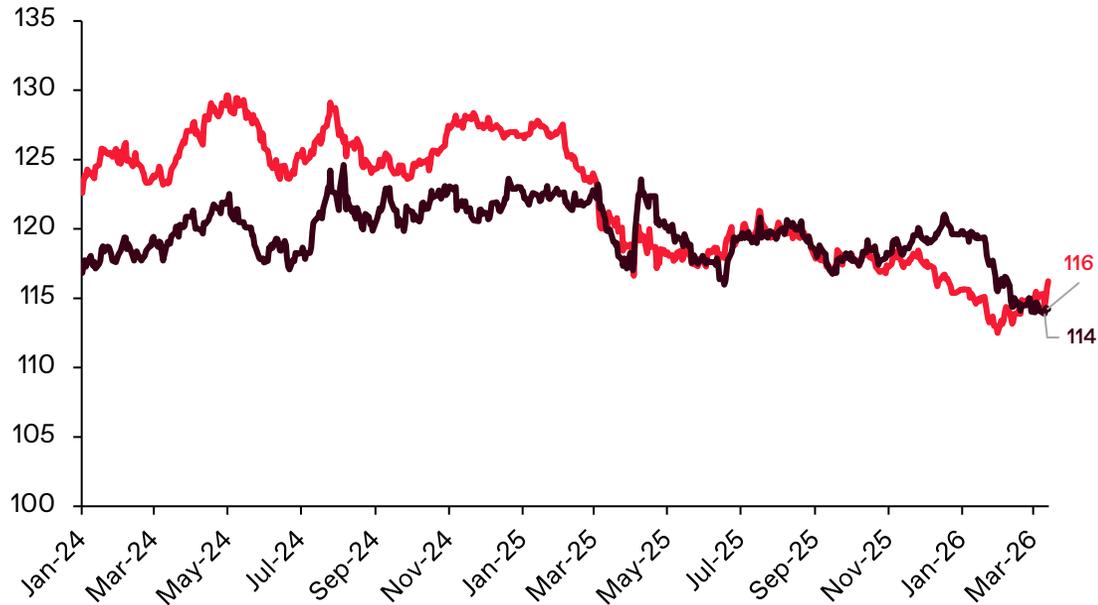


Key inflation drivers

Energy and foreign exchange stable

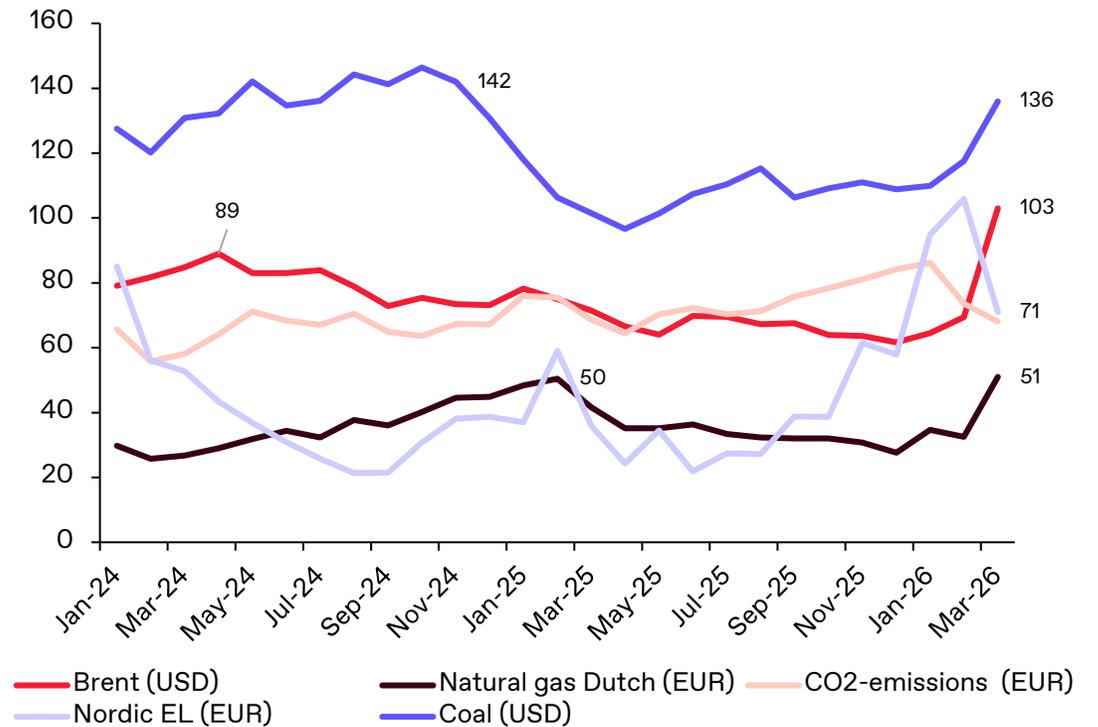
Foreign exchange (trade-weighted indices)

Latest observation 17 March



Energy and CO2 quota prices

Latest observation 17 March

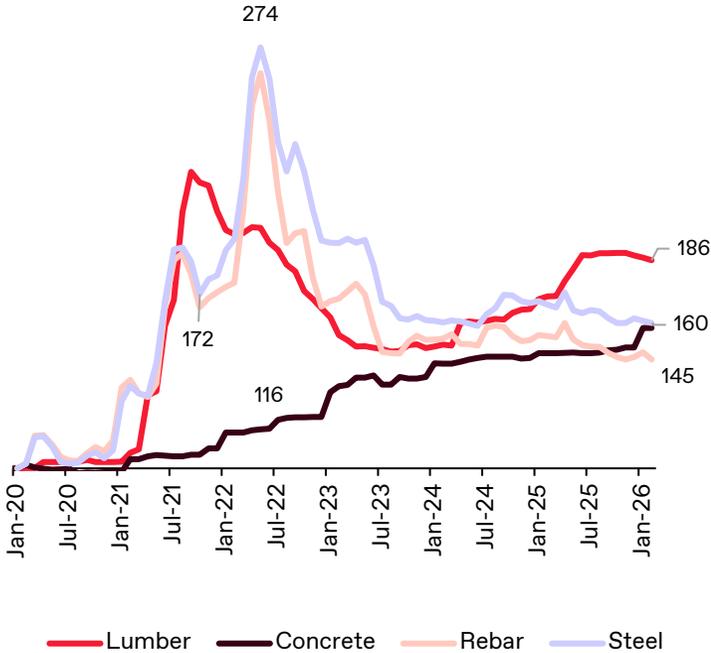


Construction cost indices by material

Planned timber, steel and concrete

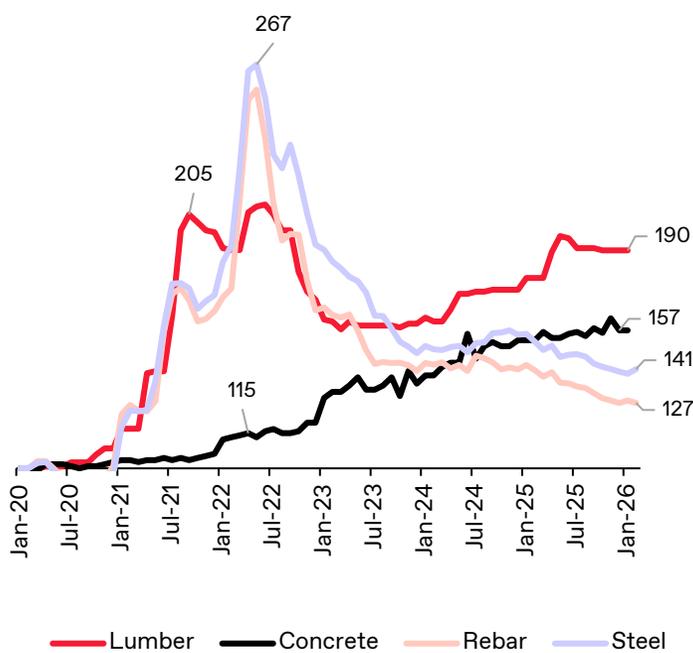
Norway

Index Jan. 2020 = 100, latest observation February 2026



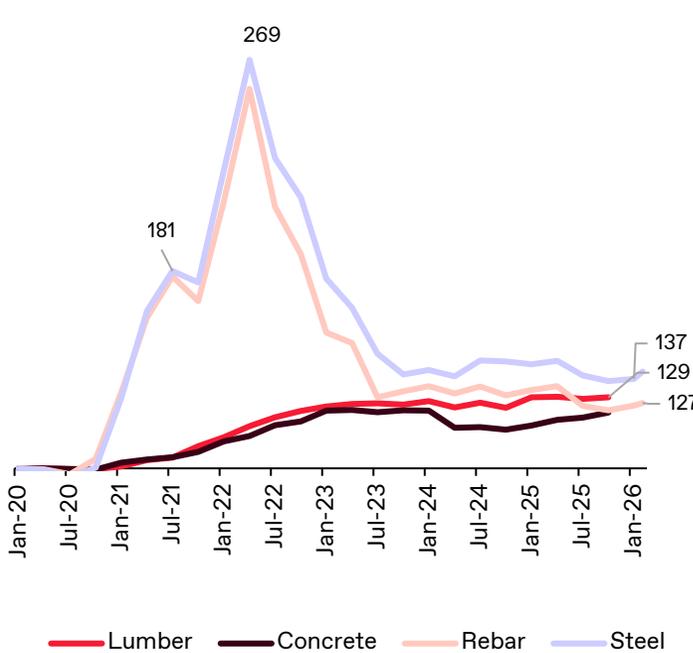
Sweden

Index Jan. 2020 = 100, latest observation Jan./Feb. 2026



Denmark

Index Q1 2020 = 100, latest observation Feb. 26/Q4 2025



05

Summary

Forecasts for the contracting markets in the period 2026–2027

Seven percent growth during the forecast period

Comment

- In 2025, the market shifted from decline to growth. Statistics on areas under construction now show a moderate but positive trend.
- Production will increase by 6% in 2026 and 1% in 2027, following a decline of 5% in 2025. For Scandinavia as a whole, this is in line with the estimates in the autumn 2025 report.
- For Norway and Denmark, the forecasts are virtually unchanged from the autumn report and point to moderate growth both this year and next year.
- The 2026 production forecast for Sweden has been increased to some 10%, based not least on observed project starts in the second half of 2025. The change since the previous report means that more growth will already materialise this year, rather than next year.

Production in the Scandinavian contracting markets

Percentage change since previous year, current prices

	2024	2025	2026	2027
Norway	-8% (-7%)	-8% (-8%)	4% (7%)	4% (5%)
Sweden	-14% (-14%)	-2% (-3%)	10% (7%)	-1% (4%)
Denmark	-12% (-11%)	-6% (-1%)	3% (1%)	3% (3%)
Scandinavia	-11% (-11%)	-5% (-4%)	6% (5%)	1% (4%)
Scandinavia, NOK billion	960	910	970	980

Autumn 2025 forecasts in brackets.

