

Case: Feasability analysis of Laneway development project in Oslo

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Abstract

This report evaluates the feasibility, costs, and benefits of developing fine-grained pedestrian alleyways and mixed-use “smug” districts in Oslo, drawing lessons from Japanese shotengai and Melbourne’s laneways. The analysis provides a 15-year cost model, quantifies expected social and economic impacts under Oslo-specific conditions, and outlines a regulatory and implementation pathway. The findings are intended to inform Oslo’s City Government (Byråd for Byutvikling and Bymiljøetaten) on whether to proceed with a laneways program, and under what conditions.

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Oslo's Urban Context and Laneway explanation

Oslo is a city seeking to balance densification with quality of life. The city's strategic plans emphasize sustainable movement and walkable neighborhoods in line with climate goals. Oslo's downtown and inner districts have already seen car traffic reductions through initiatives like "Car-Free City Life", with street parking removal to make way for pedestrians and cyclists. This policy improved the pedestrian experience in the city and the population responded with an 14% increase in total foot-traffic in the relevant areas. Media coverage is 8% net-positive, and social media is 60% positive feedback. [1] Building on this, Oslo's municipal plan area for the city core in 2019 introduced the concept of creating new pedestrian streets and foot-traffic priority zones in the center. The laneways concept aligns with this policy direction by focusing on human-scale alleys and passages that increase walkability and activate underused urban land.

Despite recent initiatives, Oslo's structure in many areas remain coarse. Parts of the city was planned with wide streets and large blocks, especially areas that have been part of modern redevelopment. In many neighborhoods "smug" are used unproductively and are perceived as unsafe. Here we try to create an opportunity – by upgrading select alleys and inviting pedestrians with shops, cafes lighting and restaurants, Oslo can show for better quality choices for pedestrians. The initiative aims to create intimate public spaces that contribute to plazas like Youngstorget. Laneways can make cities more enjoyable to explore by foot and we'll look at Melbourne as a prime example of this later on. However, the most important benefit is at an early stage in the analysis expected to be activation of underused land and distributing presently congested pedestrian traffic.

This could also contribute to mobility strategies like the Shortcut project (Snarveiprosjektet) and the Oslo Walking Strategy (Gåstrategi, Bymiljøetaten).[2] Laneways create attractive car-free shortcuts. More walking also leads to better population health, which means lower healthcare costs as well as less noise pollutions. We can measure this in monetary value as the marginal value of a dB decrease for traffic in noise polluted areas (like the city centre) is worth NOK 335 per person.[3]

Lastly, another hope of this initiative would be to boost Oslo's cultural presence in the streets. The city can achieve more pleasant public realms and support small businesses in the laneways. Storefronts are becoming too expensive for small businesses to keep up in Norway's capital, and the laneway initiative can create a setting for more affordable fronts in the city center. This would also be good for the public life in Oslo, as recent reports point to development being too focused on large restaurants and nightlife. Small establishments may increase the humanize and diversity of a city that is growing tame because of uniform businesses on the streets. [1]

Comparative Case Studies

We consider Japanese Shotengai and Melbourne's laneways as inspirational case studies, while avoiding a rigid copy to either template to mind the cultural and climate differences of the cases.

Japanese Shotengai

The Japanese have local shopping streets called Shotengai lined with small independent stores (markets) and eateries, which are often pedestrian-focused. To the local communities these shops and eateries often provide them with daily necessities and serve as gathering spaces. They are distinctly styled with roof covers (for the rainy season) and banners.

Shotengai demonstrate that pedestrian streets can support local economies. Due to Japan's density and transit orientation, narrow streets can see very high foot-traffic where similar streets might struggle in other cities. The presence of daily services next to informal eateries and boutiques means residents can accomplish errands on foot, supporting walking as primary mode of transport. Feedback loops often occur as a result of these streets: walkable neighborhoods funnel customers to Shotengai, which makes more convenient and high-quality services want to start shop in them, which makes more people want to travel through the Shotengai. There is also evidence that walkability comes with a premium in real estate, [4] and locals prize living "above-shop". Living in these areas provide security as people know each other well, and a social presence provide surveillance by the locals.

Even though, shotengai faces problems. Worldwide there has been a rise in shopping malls and especially e-commerce. Japan's aging population contributes to this, as this generation has been a large patron to these kinds of