

# Interest rate forecast for companies

key4 mortgages in the current interest rate environment – December 2022



## Continued uncertainty

After climbing to new highs in October, interest rates on government bonds and mortgage interest rates in Switzerland both fell significantly in November. This was due to the surprisingly sharp fall in inflation in the USA, fears of a global recession and the associated significant decline in the price of oil.

If these developments continue, they may mean that central banks will not raise key interest rates in the coming months as much as was feared in October.

A note of caution however: in recent months, there have been several changes of opinion on the capital markets as to whether central banks will react to inflation or to a possible recession. The interest rate fluctuations on the capital market were correspondingly severe and this uncertainty is likely to continue.

The question of how persistent inflation will be and how many rate hikes it will take to contain it in the long term is not easy to answer. We expect 10-year mortgage rates to remain within the current range over the next 12 months. However, they could fluctuate greatly, depending on whether the focus is on inflation or recession (as of 25 November 2022).

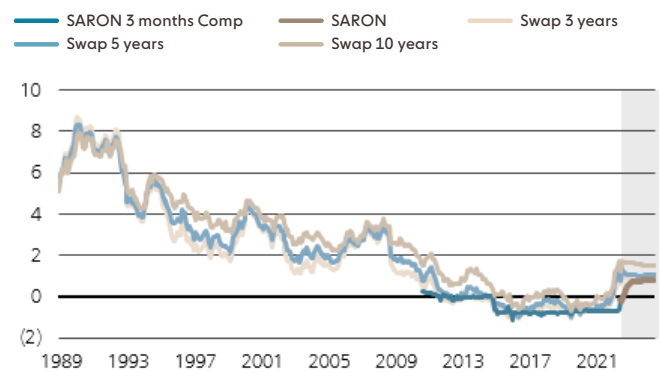
## The perfect real estate financing for every need

The type of financing has a significant effect on the profitability of your investment properties. We offer you tailor-made financing models and support you in optimizing your earnings through the whole life cycle of your properties.

- With a key4 fixed-rate Mortgage or a key4 fixed-rate Loan, we fix the capital, duration and interest rate in the long term. This makes calculating costs easy.
- If you are looking for highly flexible, short-term financing, we recommend key4 fixed advances, a key4 Floating Rate loan or a key4 SARON Flex Mortgage.

With an overall limit under key4 Real Estate financing, you have maximum flexibility for covering your financial needs thanks to a variety of loan usage options.

## Long-term interest rate trend in %



Sources: Bloomberg, UBS Switzerland AG  
This is only an indicative interest rate. The effective interest rate is calculated using the margin + Compounded SARON of the accounting period. The Compounded SARON cannot be negative.

## Interest rate forecast in figures

	28.11.22	31.12.22	30.06.23	31.12.23	30.06.24
<b>SARON</b>	0.46	0.95	1.51	1.50	1.42
<b>Swap 3 years</b>	1.33	1.29	1.54	1.50	1.47
<b>Swap 5 years</b>	1.43	1.41	1.64	1.59	1.57
<b>Swap 10 years</b>	1.62	1.58	1.76	1.71	1.72

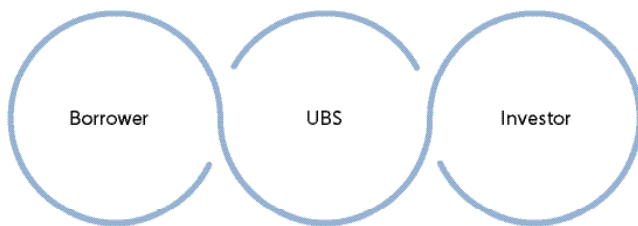
Sources: Bloomberg, UBS Switzerland AG  
Please note that the stated interest rate is in part a forecast and the actual interest rate may be higher or lower.

## key4 mortgages offer attractive combinations for all mortgage profiles under any interest rate conditions

Interest rate level	key4 fixed-rate mortgage			key4 SARON mortgage
	short	medium	long	
high	●	●	●	●
decreasing	●	●	●	●
normal	●	●	●	●
rising	●	●	●	●
low	●	●	●	●

## What you can expect from key4




key4 is a platform for financing investment property, where borrowers and Swiss institutional investors searching for reliable long-term financing opportunities in the Swiss real estate sector can meet. Place just one request and you will receive multiple offers at the best possible conditions from the range of available products. The offers are easy to compare and the choice of investor is completely up to you.



- ✓ **Always at your side**  
We assess and broker requests and take care of the entire administration.
- ✓ **Several offers**  
With one request you will receive several attractive offers.
- ✓ **Transparent costs**  
There are no hidden costs. You only pay fees if you take out a mortgage.

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## For all your questions

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