

Interest rate forecast for companies



Mortgages from UBS key4 mortgages in the current interest rate environment – December 2023

SNB: Interest rate cut as the next step

Yields on Swiss government bonds decreased slightly in November. Mortgage interest rates, on the other hand, have fallen significantly as a result of a marked decline in swap interest rates.

The Swiss National Bank (SNB) decided against raising the key interest rate in September due to economic concerns, maintaining it at 1.75 percent. We are not expecting the SNB to intervene in December either.

The next change to the key interest rate will probably be a reduction. However, this is not likely to happen until mid-2024, when the SNB can be sure that inflation risks have been averted.

Future interest rate trends will therefore no doubt depend more than ever on the SNB. The expectation of a key interest rate cut in 2024 should lead to slightly lower interest rates in the coming quarters. However, the potential is limited for government bond yields and mortgage interest rates.

(Status as per 22 November 2023)

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 fixed-rate Mortgage or a fixed-rate from UBS key4 mortgages 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 UBS key4 mortgages fixed advances, a UBS key4 mortgages Floating Rate loan or a UBS key4 mortgages saron flex mortgage.

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

	24.11.23	31.12.23	30.06.24	31.12.24	30.06.25
SARON	1.71	1.71	1.75	1.25	1.24
Swap 3 years	1.37	1.31	0.90	0.87	0.96
Swap 5 years	1.34	1.30	1.05	1.00	1.08
Swap 10 years	1.44	1.41	1.29	1.27	1.33

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.

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

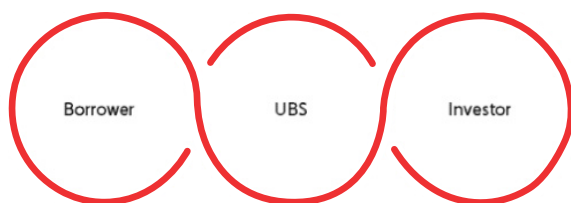
Interest rate level	UBS key4 fixed-rate mortgage			UBS key4 saron mortgage
	short	medium	long	
high	●	●	●	●
decreasing	●	●	●	●
normal	●	●	●	●
rising	●	●	●	●
low	●	●	●	●

● suitable ● suitable under certain conditions ● not suitable

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

What you can expect from UBS key4 mortgages

[UBS key4 mortgages](#) 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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