

Interest rate forecast for companies



Mortgages from UBS key4 mortgages in the current interest rate environment – October 2024

Further rate cuts by the SNB

In September, yields on 10-year Swiss government bonds and mortgage rates remained at a low level.

On 26 September, the National Bank met for its quarterly assessment and lowered the key interest rate by 25 basis points to 1.00 percent. It justified this step by saying that it expects a significant decline in inflation in the coming quarters.

The risk that economic recovery in the eurozone will slow and thus also prevent an upturn in Swiss industry has recently increased. At the same time, inflation is likely to fall below the 1-percent mark next year. In this environment, we believe that a key interest rate of 1.00 percent is too high, which is why we expect further interest rate cuts in the coming quarters.

Yields on Swiss government bonds are then likely to move sideways over the next few quarters – the same applies to longer-term mortgage rates. Mortgage rates that are tied to SARON are likely to continue to fall.

(26 September 2024)

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

	30.09.24	31.12.24	30.06.25	31.12.25	30.06.26
SARON	1.00	0.75	0.50	0.50	0.54
Swap 3 years	0.51	0.56	0.57	0.59	0.65
Swap 5 years	0.54	0.62	0.62	0.63	0.68
Swap 10 years	0.66	0.70	0.70	0.71	0.76

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

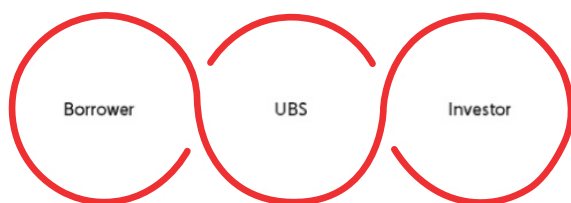
Interest rate level	UBS key4 fixed-rate mortgage			UBS key4 saron mortgage
	short	medium	long	
high	●	●	●	●
decreasing	●	●	●	●
normal	●	●	●	●
rising	●	●	●	●
low	●	●	●	●

● 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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