

Interest rate forecast for companies



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

Further interest rate cuts by the SNB in the next six months

Following the interest rate cut by the Swiss National Bank (SNB) at the end of September, yields on 10-year Swiss government bonds moved sideways, while yields on shorter-term bonds fell slightly. A similar trend was observed for mortgage interest rates, with longer-term rates decreasing less than shorter-term rates.

The SNB is expected to cut its key interest rate again twice by 25 basis points each time in December 2024 and March 2025, which would bring the interest rate level to 0.5%. These additional interest rate cuts can be explained by the assumption that Swiss inflation will fall well below the 1% mark in 2025 and by the more uncertain economic outlook for the eurozone, and therefore also for Switzerland.

The capital market is already anticipating a further fall in the SNB's key interest rates over the next 12 months. If the SNB does indeed cut interest rates, this should come as no surprise to the capital market and should not lead to any major changes in interest rates.

Longer-term yields on Swiss government bonds will therefore probably move sideways over the next few quarters. The same applies to longer-term mortgage interest rates. A slight rise in interest rates on shorter-term government bonds and mortgage interest rates is a possibility. Mortgage interest rates linked to SARON are likely to fall further in the next few quarters.

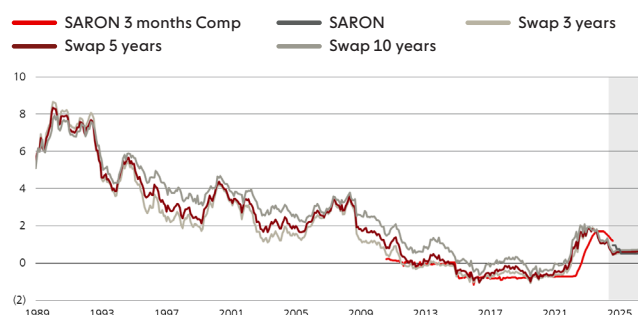
(Status as per 29 October 2024)

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

	28.10.24	31.12.24	30.06.25	31.12.25	30.06.26
SARON	0.95	0.75	0.50	0.50	0.53
Swap 3 years	0.33	0.51	0.54	0.56	0.61
Swap 5 years	0.39	0.58	0.59	0.61	0.65
Swap 10 years	0.55	0.69	0.70	0.70	0.75

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

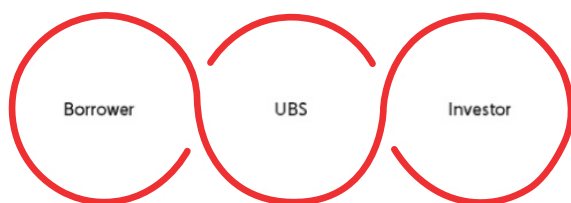
Interest rate level	UBS key4 fixed-rate mortgage			UBS key4 saron mortgage
	short	medium	long	
high	●	●	●	●
decreasing	●	●	●	●
normal	●	●	●	●
rising	●	●	●	●
low	●	●	●	●

● 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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