

# Interest rate forecast for companies

Mortgages from UBS key4 mortgages in the current interest rate environment – January 2025



## Sideways movement at a low level

In December, the Swiss National Bank (SNB) lowered its key interest rate by 0.5 percentage points to 0.5%. However, the impact on bond markets was only minor. Yields on 10-year Swiss government bonds moved sideways until the end of December; this also applies to mortgage interest rates with the same term. Volatility on the bond markets increased significantly at the start of January, however.

Inflationary pressure in Switzerland, but also in the US and Europe, is likely to ease further in 2025, giving central banks the scope to continue to lower key interest rates. The SNB's room to maneuver, however, is limited as the interest rate level is already low at 0.5%, which is why we only expect the interest rate to be cut to 0.25%.

The capital market has already priced in this interest rate cut and, if it does occur, it's unlikely to significantly affect the interest rate situation in Switzerland. We therefore see hardly any potential for substantially lower mortgage interest rates. Mortgage interest rates that are tied to the SARON are likely to still fall slightly.

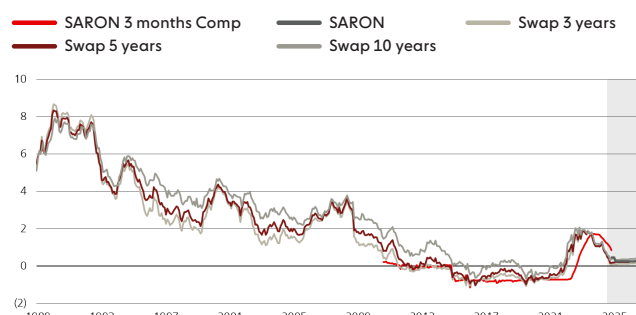
(Status as per 08.01.2025)

## 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

	06.01.25	30.06.24	31.12.25	30.06.26	31.12.26
SARON	0.43	0.25	0.25	0.26	0.34
Swap 3 years	0.19	0.11	0.13	0.16	0.27
Swap 5 years	0.28	0.21	0.22	0.25	0.35
Swap 10 years	0.47	0.34	0.36	0.40	0.50

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

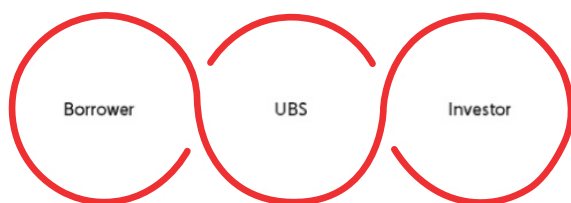
Interest rate level	UBS key4 fixed-rate mortgage			UBS key4 saron mortgage
	short	medium	long	
high	●	●	●	●
decreasing	●	●	●	●
normal	●	●	●	●
rising	●	●	●	●
low	●	●	●	●

● suitable   ● suitable under certain conditions   ● not suitable

With an overall limit under Real Estate financing von UBS key<sup>4</sup> mortgages, you have maximum flexibility for covering your financial needs thanks to a variety of loan usage options.

## What you can expect from UBS key<sup>4</sup> mortgages

[UBS key<sup>4</sup> 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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