

Interest rate forecast for companies



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

A rate hike at the end of February – will lower rates follow?

Yields on 10-year Swiss government bonds and mortgage rates with the same maturity stabilized in the first half of February after rising significantly in January. In the second half of the month, however, there was a clear upward trend in bond yields.

Hopes for a solution to the conflict in Ukraine led to a decline in demand for government bonds, which caused yields to rise. However, it is still too early to tell whether a long-term solution will emerge in the near future. In addition, the announcement of tariffs on cars and pharmaceutical products by the US government brings new uncertainties for Europe and the associated risk of a fall in interest rates.

The Swiss National Bank (SNB) is also likely to remain an important driver in the coming quarters. In view of the low inflation in Switzerland and the economic risks in the eurozone, we expect the SNB to lower its key interest rates again. This should also limit the upward potential of longer-term interest rates.

Yields on Swiss government bonds and mortgage rates are therefore likely to return to the low levels seen in recent months. Mortgage rates linked to SARON are likely to benefit from a further interest rate cut by the Swiss National Bank.

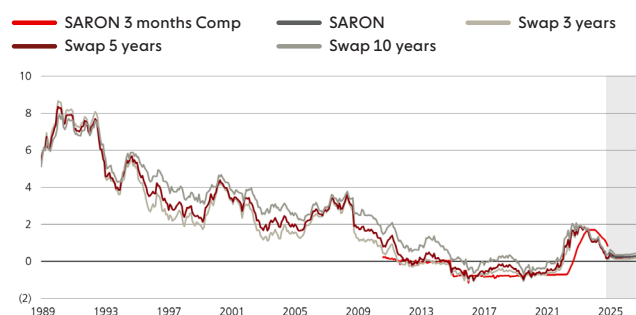
(20 February 2025)

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

	27.02.25	30.06.25	31.12.25	30.06.26	31.12.26
SARON	0.45	0.25	0.25	0.26	0.32
Swap 3 years	0.18	0.13	0.12	0.14	0.24
Swap 5 years	0.29	0.21	0.22	0.24	0.33
Swap 10 years	0.50	0.34	0.36	0.39	0.48

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

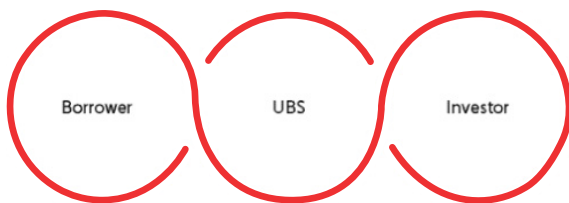
Interest rate level	UBS key4 fixed-rate mortgage			UBS key4 saron mortgage
	short	medium	long	
high	●	●	●	●
decreasing	●	●	●	●
normal	●	●	●	●
rising	●	●	●	●
low	●	●	●	●

● 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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