

Interest rate forecast for companies

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



Easing of the customs dispute suggests that negative interest rates can be ruled out

Yields on Swiss government bonds and mortgage interest rates fell substantially at the beginning of May as the USA's protectionist trade policy fueled concerns about a sharp global economic slowdown. Interest rates rose again when US President Donald Trump announced in mid-May that he would significantly reduce punitive tariffs against China for 90 days.

Since the SNB's last monetary policy assessment in March, the outlook for the global financial situation and the Swiss economy has worsened. Consequently, we are currently assuming that there will be a further interest rate cut and a key interest rate of 0% from June 2025.

The escalation of the trade conflict has also triggered discussions about possible negative interest rates. A key interest rate of below 0% would be possible in a scenario in which the Swiss franc appreciated significantly again, the European Central Bank lowered its interest rates more than anticipated by the market, or the Swiss economic outlook deteriorated even further. The recent easing of tensions in the customs dispute has reduced the likelihood of this type of scenario.

For the coming quarters, this means that yields on government bonds and mortgage interest rates will no doubt remain stable and stay within the current range. Mortgages linked to SARON will probably become slightly more economical again – if the anticipated interest rate cut materializes in June.

(Status as at 19 May 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

	19.05.25	30.06.25	31.12.25	30.06.26	31.12.26
SARON	0.21	0.00	0.00	0.00	0.04
Swap 3 years	-0.11	0.02	0.05	0.06	0.10
Swap 5 years	0.07	0.20	0.22	0.23	0.27
Swap 10 years	0.42	0.51	0.56	0.57	0.61

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	●	●	●	●

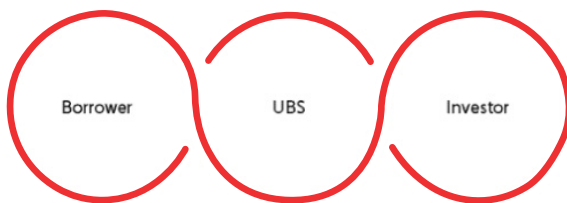
Legend: ● suitable, ● suitable under certain conditions, ● not suitable

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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