

Interest rate forecast for companies

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



Trump's policy is likely to prompt further interest rate cuts by the SNB

The new German government announced a major fiscal package in March – driving German government bond yields up sharply. In the wake of this development, yields on Swiss government bonds and mortgage interest rates also rose considerably.

In April, the focus then shifted to the USA: Donald Trump's new tariff policy became the dominant topic on the bond markets. The tariffs imposed by the US are likely to have a negative impact on the global economy, and therefore also on Swiss economic growth. This has led to a fall in interest rates in Switzerland.

Trump's policies have already caused lasting damage. Nevertheless, he will no doubt balk at leading the US economy – and hence the global economy – into a recession. Although we anticipate a further interest rate cut by the Swiss National Bank (SNB) to 0%, we therefore believe that negative key interest rates are unlikely – unless a recession actually occurs.

As a result, yields on Swiss government bonds and mortgage interest rates will probably remain within the current range in the coming quarters. We still predict a slight decline for SARON mortgages.

A significant fall in bond yields and mortgage interest rates would only be expected if the SNB were forced to reintroduce negative key interest rates.

(Status as at 24 April 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

	22.04.25	30.06.25	31.12.25	30.06.26	31.12.26
SARON	0.18	0.00	0.00	0.00	0.05
Swap 3 years	-0.03	0.04	0.05	0.06	0.12
Swap 5 years	0.15	0.22	0.22	0.23	0.28
Swap 10 years	0.48	0.55	0.56	0.57	0.62

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	●	●	●	●

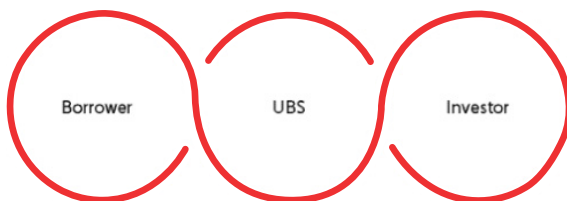
● suitable ● suitable under certain conditions ● not suitable

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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