

Interest rate forecast for companies

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



Stable interest rates in the second half of the year, but ongoing uncertainty

In its monetary policy assessment in June, the Swiss National Bank (SNB) lowered its key interest rate from 0.25% to 0%. In contrast, longer-term interest rates have since risen, both for government bonds and for mortgages.

This is because prior to the assessment, the financial markets had anticipated further interest rate cuts in the second half of the year in addition to the reduction to 0% in June. However, once SNB Chairman Martin Schlegel had explained that lowering rates into negative territory would be a much more significant move than the previous reductions above zero, the financial markets' expectations of new interest rate cuts fell considerably. Interest rates for government bonds and mortgages rose slightly as a result.

We assume that the SNB will not reduce its key interest rate any further. It has already reacted to the rather weak economic trend and low inflation in Switzerland with its most recent interest rate cuts. If the SNB keeps interest rates stable, there should be only limited surprises on the financial markets, given that the expectation of any further interest rate cuts had already fallen considerably after the last SNB assessment. Yields on Swiss government bonds and mortgage interest rates should therefore stay within the current range in the coming quarters. Mortgage interest rates linked to SARON are also likely to remain stable.

One uncertainty remains: US trade policy. If, contrary to our expectations, the trade dispute does not stabilize in the coming months, the global economy could slump. This would increase the likelihood of the SNB introducing negative interest rates again and of longer-term Swiss interest rates also falling further.

(Status as per 28 July 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

	28.07.25	31.12.25	30.06.26	31.12.26	30.06.27
SARON	-0.04	0.00	0.00	-0.01	0.00
Swap 3 years	-0.02	0.06	0.06	0.06	0.09
Swap 5 years	0.16	0.23	0.23	0.22	0.26
Swap 10 years	0.53	0.61	0.60	0.60	0.65

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	●	●	●	●

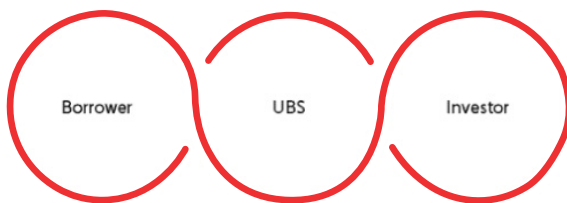
● suitable ● suitable under certain conditions ● not suitable

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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