

Interest rate forecast for mortgages from PostFinance

With the latest policy rate cut by the Swiss National Bank (SNB), Saron mortgages have become even less expensive compared to fixed-rate mortgages. As long as the economic outlook remains weak and inflation stays low, little is likely to change. Nevertheless, fixed-rate mortgages remain an attractive option.

Current economic outlook

The Swiss economy started the year with momentum, and in fact saw slightly above-average growth in the first quarter. Growth was driven in particular by the export sector, which benefited from many US orders being brought forward in an effort to pre-empt new tariffs. At the same time, domestic demand remained stable. The recovery continued, in the construction sector in particular, no doubt partly due to the significant policy rate cuts by the Swiss National Bank (SNB) over the past year and a half.

Since April 2025, however, the economy has lost momentum. In the export sector, the pull-forward effect was followed by a significant reversal. At the same time, new US trade restrictions and a weaker global economy in general are clouding the outlook.

The domestic economy is also showing initial signs of weakness. Consumers are worried about economic uncertainties, and the latest data indicates that this is gradually being reflected in their actual spending behaviour.

At the same time, inflationary pressure has continued to ease. The strong franc and low energy prices are reducing import costs. Meanwhile, weaker economic performance is also reducing domestic inflationary pressure. Against this backdrop, the inflation rate actually fell slightly into negative territory recently. This means the SNB is likely to return to negative interest rates soon.

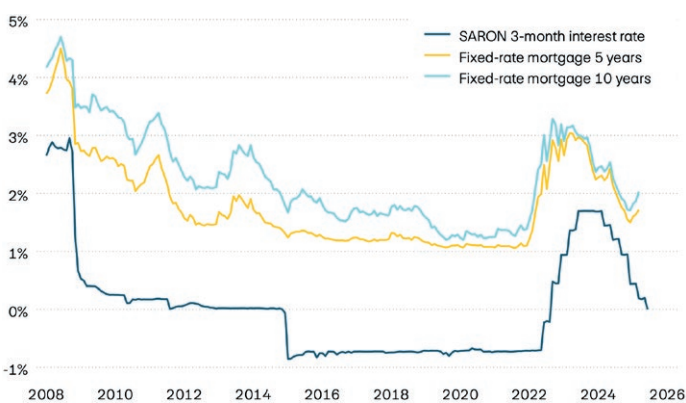
Interest rate forecast

Forecast for	3 mths	6 mths	12 mths
Saron	↘	↘	↘
5-year fixed-rate mortgage	→	→	→
7-year fixed-rate mortgage	→	→	→
10-year fixed-rate mortgage	→	→	→

The combination of an economic slowdown and low inflation is likely to further increase pressure on the Swiss National Bank (SNB) to ease monetary policy. We're even expecting the policy rates to be lowered again when the next assessment is carried out on 25 September 2025. However, the effect on Saron mortgage financing costs is likely to remain limited, as these financing costs generally reach their lowest point at zero interest rates. We also expect medium and long-term fixed-rate mortgages to trend sideways. Given that Swiss capital market interest rates are already at a very low level, there is little scope for any further decline.

- Interest rates moving less than 0.25%
- ↘ Interest rates falling between 0.25% and 0.49%
- ↗ Interest rates rising between 0.25% and 0.49%
- ↘ Interest rates falling 0.50% or more
- ↗ Interest rates rising 0.50% or more

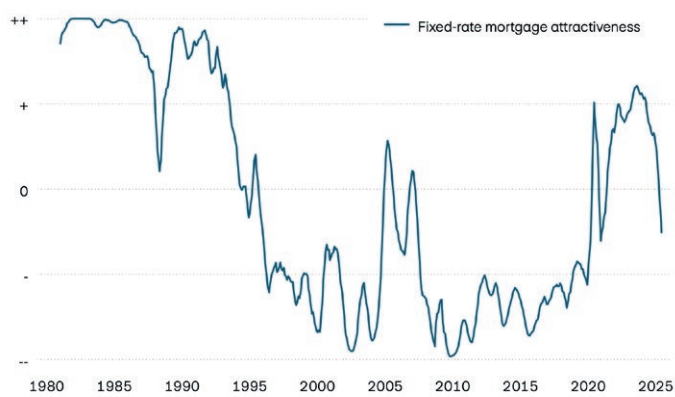
Development of mortgage rates in Switzerland



In 2022, interest rates on fixed-rate mortgages rose to just over 3 percent as a result of monetary policy measures to tackle high inflation. However, they have fallen sharply again following last year's change in monetary policy. Since then, there has been another moderate increase, likely due in part to more cautious lending by banks. For the coming twelve months, we expect most fixed-rate mortgages to remain largely unchanged. For the 3-month Saron, by contrast, we expect a further decline on the back of another policy rate cut at the SNB's next assessment.

Source: SIX, figures up to and including December 2021 based on Libor and from January 2022 on Saron.

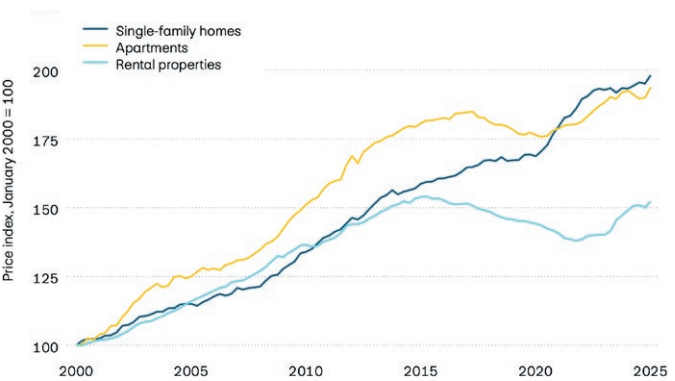
A Saron or fixed-rate mortgage



The PostFinance fixed-rate mortgage attractiveness index is falling significantly, indicating that Saron mortgages are now more attractive than fixed-rate mortgages. This development is mainly due to the recent policy rate cut. As a result, Saron mortgages have again become less expensive and look set to remain at a low level. At the same time, we expect that the financing costs of medium and long-term fixed-rate mortgages are likely to trend sideways, given the limited scope for any further decline in capital market interest rates. This means that short-term money market financing is likely to remain more attractive than fixed-rate mortgages.

Source: PostFinance Ltd, SNB, SIX, Web Financial Group, SECO, KOF

Real estate price trend for single-family homes and condominiums



After seeing only moderate increases last year, real estate prices picked up considerable momentum this year, raising prices that were already high even further. This development is likely mainly due to tight supply being met by growing demand and underpinned in particular by low capital market interest rates and the associated affordable financing costs. Another factor with a likely impact is the continuing growth of private assets, further increasing a willingness to pay for real estate.

Source: SFSO

Swiss economic data

Indicators	Q3 2024	Q4 2024	Q1 2025	2024	2025	2026
GDP growth	1.9%	1.5%	2.0%	1.3%	1.4%	1.6%
Inflation	1.1%	0.7%	0.4%	1.1%	0.2%	1.2%
Unemployment	2.4%	2.7%	2.9%	2.5%	3.1%	2.7%
Net immigration (number of people)	19,000	25,000	23,000	90,000	85,000	80,000
EUR/CHF exchange rate	0.94	0.94	0.96	0.95	0.92	0.90

Source: Bloomberg, Allfunds Tech Solutions, BfS

Terms

Inflation: Inflation is the sustained rise in the general price level for goods and services in an economy over a particular period of time. When the price level rises, the purchasing power of money falls, i.e. fewer goods and services can be bought with the same amount of money as before.

Economy: The economy refers to a country’s current economic situation and reflects changes and fluctuations in economic activity. Sooner or later, upturns are followed by downturns, which is known as an economic cycle. A strong economy means good economic performance and vice versa.

Capital market interest rates: Capital market interest rates have a term of over one year. They play a decisive role in the cost of long-term financing.

Policy rate: Policy rates are interest rates set by central banks and are key monetary policy instruments. Policy rates determine the interest rate at which commercial banks can borrow liquidity from central banks. As a result, most short-term interest rates in an economy fluctuate with policy rates.

Domestic economy: The domestic economy refers to all economic activity within a country or economic area. It is an important indicator of how strongly an economy is growing in its own right, regardless of the global economy.

Which mortgage is best suited to which interest rate situation?

At PostFinance, you'll find the ideal financing solution for your property.

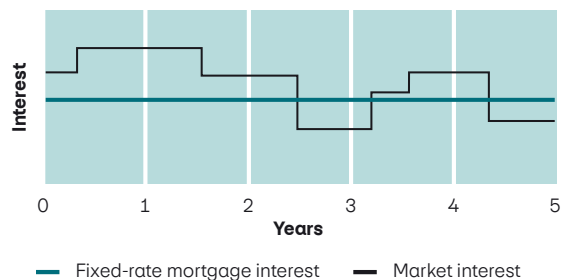
A mortgage with a fixed rate or one where you can decide on the level of risk and security for yourself?

We offer individual solutions to finance the purchase of your own home.

Fixed-rate mortgage

Perfect when interest rates are low and expected to rise. You're protected against interest rate rises and can plan your costs precisely.

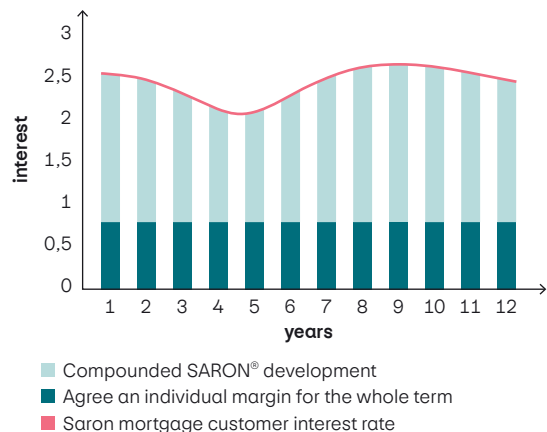
Term and interest rate



Saron mortgage

A Saron mortgage is ideal when interest rates are high to average and when declining rates are expected. The interest rate can fluctuate significantly during the term, depending on the market situation. However, the option of switching to a PostFinance fixed-rate mortgage during the term means you remain flexible.

Term and interest rate



Interested in real estate as an investment opportunity? In our [investment compass](#) under "Market overview", you will find an analysis of the current situation on the Swiss real estate market.

→ [Create a mortgage quotation now](#)

Do you have any questions?

Our specialists will be happy to help you.

You can also reach us by telephone on +41 58 448 14 14 or online at postfinance.ch/mortgage.

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