Interest rate forecast for PostFinance Ltd mortgages

How will mortgage interest rates develop over the coming months? Find out how our experts view developments on the mortgage and real estate markets.

In brief: what the latest SNB decision means

Data valid as at: 11 December 2025
Editorial deadline: 11 December 2025

- The Swiss National Bank (SNB) left its policy rate unchanged on 11 December.
- Given the challenging economic environment and low inflation, the SNB's monetary policy is likely to remain expansionary over the medium term.
- Saron mortgages therefore offer attractive financing options. Fixed-rate mortgages also remain extremely attractive.

Current economic situation in Switzerland

The Swiss economy has suffered a significant setback recently, shrinking by 0.5 percent in the third quarter. Several factors are currently weighing on the economic environment. On the one hand, the high US export tariffs of 39 percent had a huge impact on the industrial sector. These have now been reduced to 15 percent with retroactive effect to 14 November 2025. The manufacturing sector in particular has lost significant momentum due to the tariffs.

At the same time, domestic demand is also increasingly weakening. In light of the uncertain economic outlook, both companies and private individuals are currently investing only very cautiously and significantly less than in the previous year. Consumer activity is still the main source of support at present. This is not unusual because private households typically try to keep their spending as stable as possible, even in economically uncertain times.

This combination of weak export demand and a subdued domestic economy is also impacting price developments. The weak economy is making it difficult for companies to implement price increases. Against this background, it isn't surprising that inflation has fallen again recently and now stands at zero percent. In addition to economic developments, the low inflation rate also reflects developments in rental prices, which are barely rising due to the reference interest rate cut. Previous strong rental growth is, in turn, gradually falling out of the annual rate, which is accordingly pushing down inflation. In its monetary policy assessment of 11 December 2025, the Swiss National Bank (SNB) left the policy rate at 0 percent despite weak economic performance and low inflation.

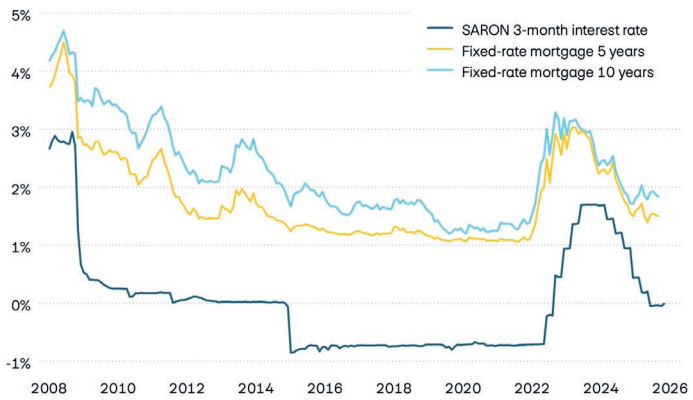
Our interest rate forecast at a glance

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

As there are currently no signs of a rapid economic recovery and inflation could even fall into negative territory next year and, in turn, below the Swiss National Bank's targets, pressure on the SNB to return to negative interest rates again in the medium term remains high.
However, the impact on owners is likely to remain limited if monetary policy is eased further. Saron mortgages usually have a floor of zero percent and the interest rate to be paid does not fall even if the policy rate falls below this limit. Furthermore, interest rates on medium and long-term mortgages are already at a very low level, which means that further downside potential is greatly limited.

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

Mortgage interest rate trend

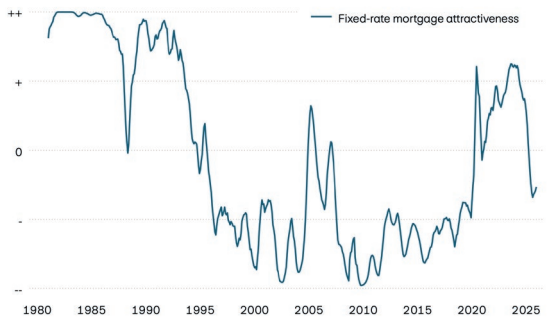


Mortgage interest rates in Switzerland were still above 3 percent just 3 years ago. This was mainly due to the Swiss National Bank's more restrictive monetary policy, which was a response to higher inflation in the wake of the coronavirus pandemic. In this environment, the SNB raised its policy rates to 1.75 percent. However, inflation in Switzerland is now under control again and there is even a threat of negative inflation rates. Monetary policy is therefore once again operating in a low interest rate environment.

Mortgage interest rates have also fallen sharply and are now back at levels last seen when negative interest rates were introduced. We expect this level of mortgage interest rates to remain largely unchanged over the next 12 months. We expect the three-month Saron to be lowered in about 6 months. This means monetary policy is likely to remain unchanged at the next assessment on 19 March 2026.

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

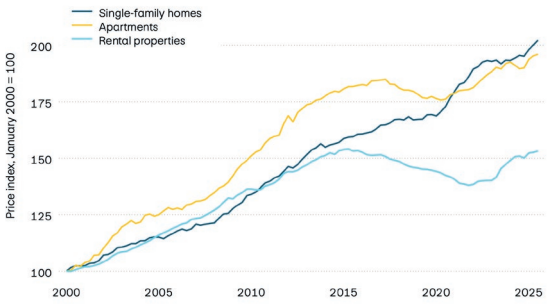
Fixed-rate mortgage or Saron mortgage?



The PostFinance fixed-rate mortgage attractiveness index remains at a low level. Money market mortgages therefore remain more attractive than fixed-rate mortgages. Saron mortgages are likely to continue trending sideways. The further policy rate cut expected next year is also unlikely to change this as Saron mortgages typically hit their low point at a policy rate of zero. At the same time, there is little risk that the cost of money market financing will increase rapidly following the expected policy rate cut. Medium and long-term fixed-rate mortgages are also likely to trend sideways in view of the ongoing limited downward scope for capital market interest rates. This means that no significant changes to financing costs are expected for the time being.

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

Single-family homes and condominiums



Real estate prices rose again in the third quarter. The prices of single-family homes rose particularly sharply. This strong increase is likely to be due to continued low capital market interest rates and persistent strong demand combined with tight supply. By contrast, the trend for rental apartments remains comparatively subdued. The reduction in the reference interest rate in March is likely to have an impact on this. Given the further reduction in September 2025, this subdued trend is expected to continue in the coming year.

Source: SFSO

Swiss economic data

Indicators	Q3 2024	Q4 2024	Q1 2025	2024	2025	2026
GDP growth	2.5%	1.3%	0.5%	1.3%	1.0%	1.0%
Inflation	0.4%	0.0%	0.2%	1.1%	0.2%	0.3%
Unemployment	2.9%	2.7%	2.8%	2.5%	3.1%	2.7%
Net immigration (number of people)	23 000	16 000	17 000	90 000	70 000	65 000
EUR/CHF exchange rate	0.96	0.94	0.94	0.95	0.94	0.92

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 rates: 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.

Money market interest rates: Money market interest rates are interest rates with a term of up to one year.

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.

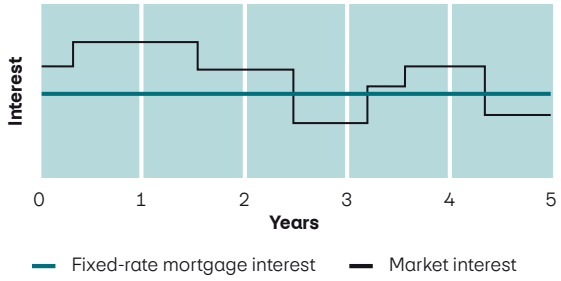
Reference interest rate: The mortgage reference interest rate is published quarterly by the Federal Office for Housing (FOH) and serves as the basis for rent adjustments in existing tenancies. The reference interest rate is adjusted in line with the development of the mortgage interest rate. It is based on the average mortgage interest rate offered by banks and is rounded to the nearest quarter percent.

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.

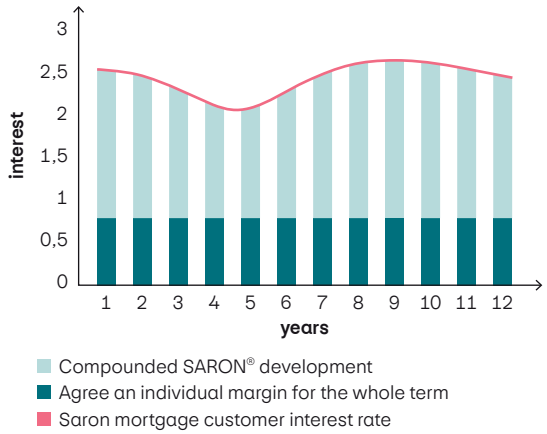
Fixed-rate mortgage
Perfect when interest rates are low and expected to rise. You're protected against interest rate rises and can plan your costs precisely.

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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