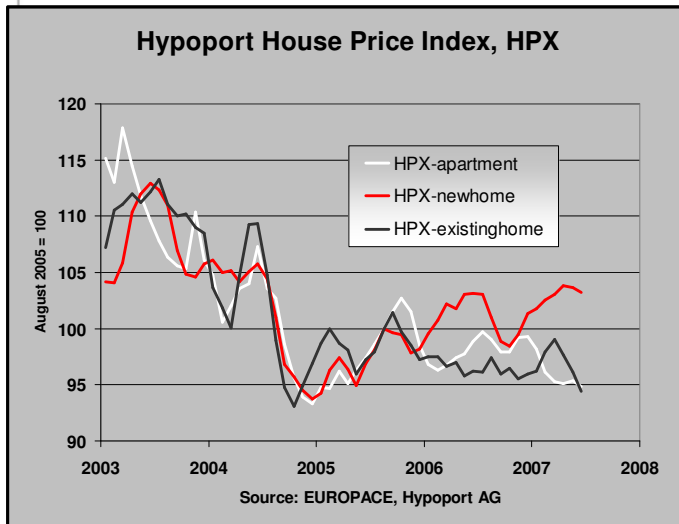




## German home prices fall by 0.9% in June, bringing Hypoport German House Price Index (HPX) close to lowest level since November 2004



Berlin, 24 July, 2007 – The traditional sharp decline in the prices of apartments and existing single and double-family homes in the first summer month of the year brought a sharp fall in German house prices in June by 1.9% compared to June 2006, pulling the overall cost of housing down by 0.9% from May, according to the latest HPX Hypoport House Price Index data.

The price fall means that costs of purchase of existing homes and apartments are approaching levels not seen since early 2005, HPX showed. The index, the only monthly record of house purchase costs in Germany, documents prices since 2003.

The base of the residential price cycle in the last four years was hit in November 2004.

Last month, the average price of apartments in Germany decreased by 0.5% compared to May, and was no less than 4.0% down from 12 months earlier. The average price paid for an 84 square metre apartment was €141,500, in aggregate €500 lower than in May 2007.

### Hypoport German House Price Index, HPX

	<i>Total</i>	<i>New home</i>	<i>Existing home</i>	<i>Apartment</i>
<b>June07</b>				
Monthly index	292.5	103.2	94.4	94.9
Monthly index, last month	295.1	103.6	96.1	95.4
Monthly change	-0.9%	-0.4%	-1.8%	-0.5%
Monthly change, last month	-0.5%	-0.2%	-1.6%	0.3%
3-monthly change	-1.6%	0.2%	-4.6%	-0.4%
3-monthly change, last month	-0.5%	1.1%	-1.8%	-0.7%
Annual change, y/y	-1.9%	0.1%	-1.9%	-4.0%
Annual change, y/y, last month	-0.5%	0.5%	0.4%	-2.4%

In June alone, the prices of existing homes fell more strongly than the other segments - down a full 1.8% against May and 1.9% lower than 12 months earlier. This brought the average price of an existing single-family home in Germany down by €4,000 to €198,000 in June, though the average size of the single home transacted via the Hypoport EUROPACE platform rose by 5 sq.m. in aggregate.

New homes prices were least hardest hit in the first summer months, falling a relatively mild 0.4% in the month and up a fractional 0.1% on the annual comparison. Prices have been supported by the need for developers to recoup margins on ever growing building costs. Recent figures from the German federal Statistics Office showed that in May, the construction price index for new residential buildings rose 7.8% compared with May 2006 - the highest rate since February 1992.



## Methodology

Monthly data for the Hypoport House Price Index (HPX) are taken from residential sales amounting to around 10% of the German housing market now transacted through the EUROPACE Internet-based platform - a proprietary development fully owned by the Hypoport Group ([http://www.hypoport.com/europace\\_en.html](http://www.hypoport.com/europace_en.html)). Currently, EUROPACE is expanding by between 5,000 and 8,000 properties monthly. The index is derived from anonymised statistics fully representative of the nationwide German market. Monthly data are smoothed with a 3-month lagging moving average, calculated on the basis of sales expressed in square metre terms, and are based on 100 at August 2005. HPX-newhome is the index for newly-built single and double households, HPX-existinghome tracks prices for existing single and double households, while HPX-apartment assesses prices for existing single apartments. Definition criteria encompass the following:

### HPX-newhome

- Total construction costs, including building lot
- Living space between 100 and 150 square metres
- Building lot sized between 200 and 700 sq.m.
- Own-use property
- No connected commercial space
- No additional land plot

### HPX-existinghome

- Purchase price including building lot
- Built since 1950
- Building lot sized between 200 and 700 sq.m.
- Own-use property
- No connected commercial space
- No additional land plot

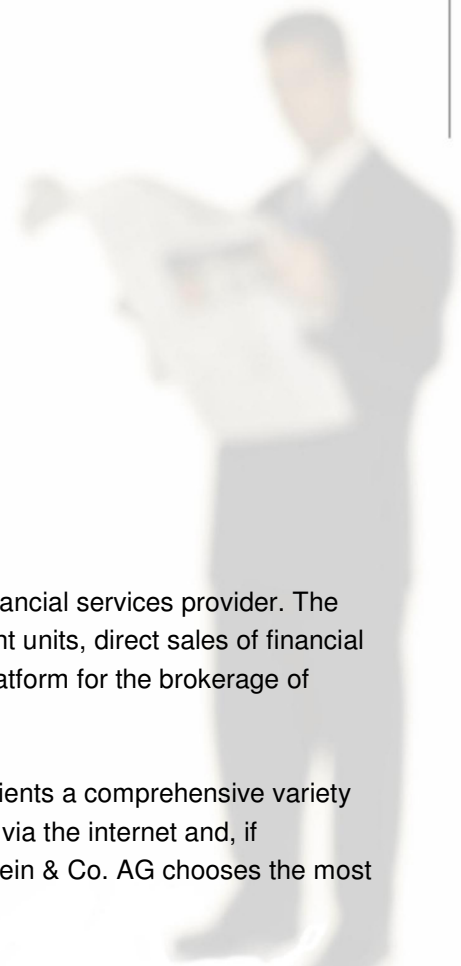
### HPX-apartment

- Purchase price
- Built since 1950
- Building lot sized between 70 and 100 sq.m.
- Own- or buy-to-rent property
- No connected commercial space

## About Hypoport AG

The Hypoport Group situated in Berlin is an internet based one stop financial services provider. The business model of the Hypoport Group comprises of two interdependent units, direct sales of financial products and the maintenance of its in house developed transaction platform for the brokerage of financial products via the internet.

Dr. Klein & Co. AG, Hypoport's wholly owned subsidiary, offers retail clients a comprehensive variety of financial products from giro accounts, insurances to mortgage loans via the internet and, if requested, offers advice both over the telephone or face-to-face. Dr. Klein & Co. AG chooses the most





suitable products for the clients from a broad selection of more than 100 well-known banks and insurances, strictly conforming to the best advice principle. The internet driven processes generate cost advantages which are passed on to the retail clients, providing Dr. Klein a significant competitive advantage against local banks and insurance agencies. Furthermore the business division Real Estate Business Clients of Dr. Klein & Co. AG, which has been operating since 1954, is the undisputed market leader in the brokerage of mortgage solutions to the municipal and cooperative housing industry.

The Hypoport Group maintains with its B2B financial marketplace EUROPACE the biggest German web based transaction platform for the clearing of financial products. A fully integrated system links more than 30 banks with over 1.000 brokers and enables immediate and direct placement of financial products. The highly automated processes of the platform result in significant cost advantages. Momentarily over 400 applications are processed via EUROPACE daily. Additionally EUROPACE is the leading source for surveillance, research and analysis of European ABS transactions.

#### Contact

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