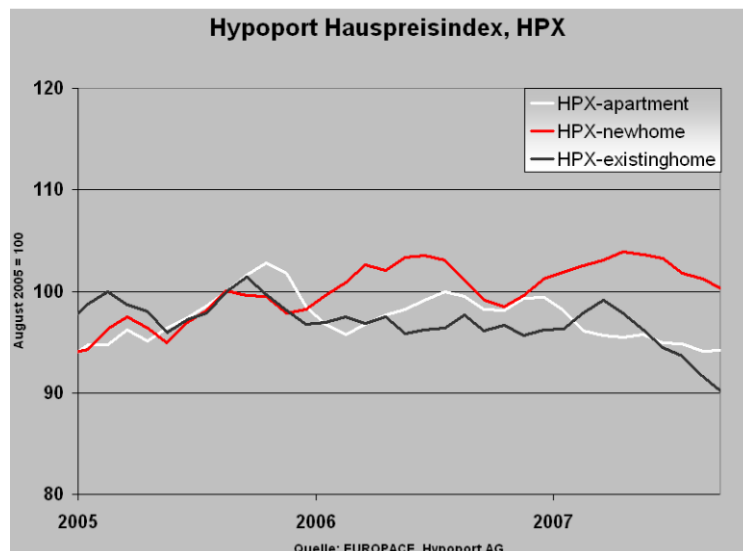




## Latest HPX September 2007 German house price index

### Buyers prefer apartments to houses



Berlin, 18 October 2007 – In September, the monthly HPX total index dropped from 287.00 to 284.50 points, equivalent to another decline of 0.9 percent compared with August's figure.

By three-month comparison, the decline now totals 2.7 percent. Year-on-year, the index has dropped by 2.8 percent. House prices in all three categories continued to weaken throughout Germany.

Existing single-family and two-family homes are accounting for the lion's share of this decline.

Prices of these are falling, while

unit numbers (number of mortgages granted) have been steadily increasing since the beginning of the year.

Monthly comparison	Total	New home	Existing home	Apartment
<b>September 07</b>				
Monthly index	284.5	100.2	90.1	94.2
Monthly index, previous month	287	101.3	91.6	94.1
Month-on-month change	-0.8711%	-1.0859%	-1.6376%	0.1063%
M-o-m change, previous month	-1.1368%	-0.3933%	-2.2412%	-0.8430%
Change by quarterly comparison	-2.7350%	-2.9070%	-4.5551%	-0.7376%
Change by quarterly comparison, prev. mth.	-2.7448%	-2.2201%	-4.6826%	-1.3627%
Year-on-year change	-2.8347%	1.3145%	-6.1458%	-3.7794%
Y-o-y change, previous month	-3.4970%	0.2970%	-5.9548%	-4.9495%

#### Stable, increasingly slightly: Existing apartments

Apartment prices (HPX-apartment) increased slightly by 0.1 percent compared with the previous month, and are currently at 94.2 points. Average purchasing prices are picking up and currently lie at 140,804 euros, the average living space remains at 84 square metres. By quarterly comparison, apartment prices declined by just 0.7 percent, and year-on-year (September 2006) by 3.7 percent overall. The average price per square metre is 1,679 euros.

Owner-occupiers and investors are currently showing a preference for apartments over houses.



### **Declining:**

#### **Existing detached single-family and two-family homes**

Compared with the previous month, the value of existing houses (HPX-existinghome) declined by 1.6 percent – from 91.6 to an index value of 90.1 points; year-on-year, they have declined by 6.1 percent. The average land area is 410 square metres and the average living space measures 124 square metres. The average purchasing price is about 188,000 euros, equivalent to an average square metre price of 1,526 euros, and is declining. Existing houses have once more reached a new low since the inception of Hypoport's house price index.

#### **Declining: New detached single-family and two-family homes**

Compared with the previous month, the HPX-newhome index value dropped by 1.1 percent from 101.3 to 100.2 points. Year-on-year, however, prices have increased by 1.3 percent. The average land area is 463 square metres, the average living space is 123 square metres and the average purchasing price is currently 217,000 euros.

### **Methodology**

The figures are collated from anonymised transactions processed via the EUROPACE platform. Hypoport AG operates the EUROPACE platform as Germany's only independent marketplace. The platform now processes some ten percent of all private mortgage transactions in Germany ([www.hypoport.de/europace.html](http://www.hypoport.de/europace.html)). EUROPACE's database is currently expanding at a rate of between 4,000 and 6,000 properties each month.

**The monthly figures are continually flattened over three months to balance out any monthly fluctuations in mortgage lending policy. The index is based on the square metre sale price of the properties as indicated in the loan application. The index was set at 100 in August 2005 since this month represented the relationship between the square metre prices of the three types of property since the beginning of 2003 particularly well and transaction volumes had reached representative dimensions.**

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