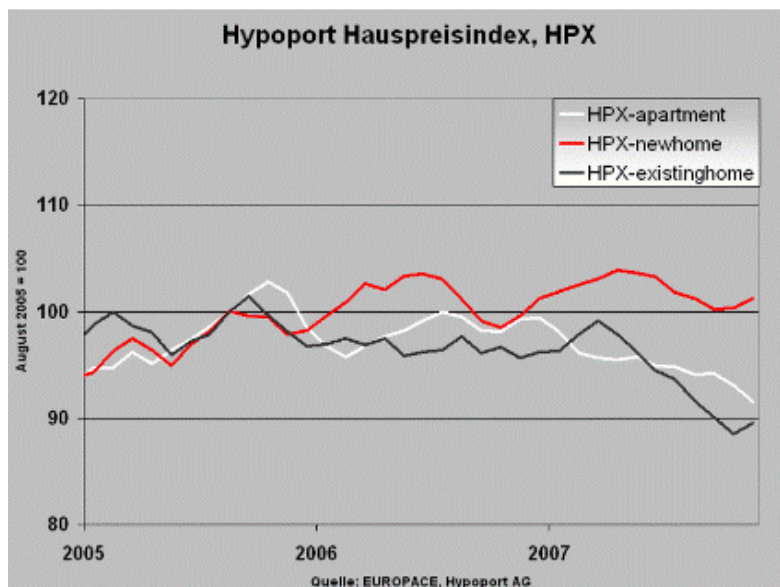




Latest HPX November 2007 German house price index

House prices are picking up – Houses in demand



Berlin, 14. December 2007 – The monthly HPX total index was 282.2 points in November, equivalent to an increase of 0.14% compared with the last survey in October. Year-on-year, however, the total index has declined by 4.1%.

New detached single-family and two-family homes, together with existing single-family and two-family homes are again accounting for the lion's share of this positive price trend. By contrast, the prices for existing apartments have again weakened slightly.

November analysis:

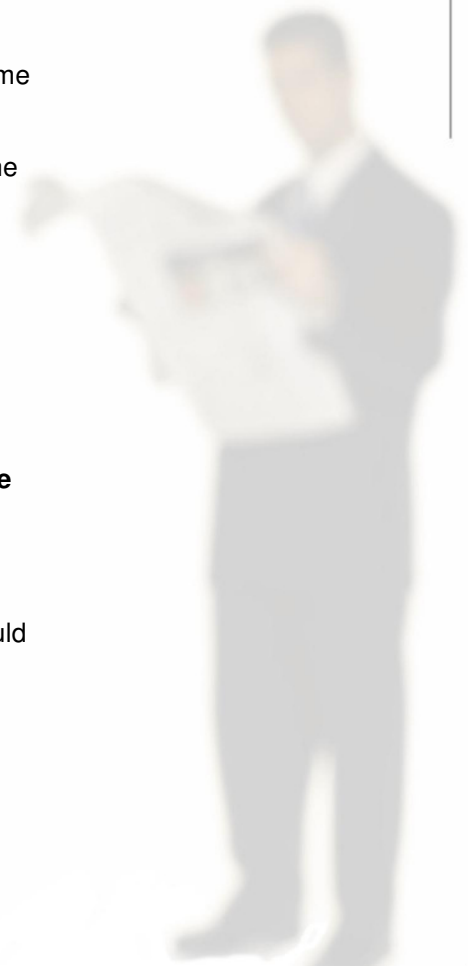
The demand for mortgages for owner-occupied properties increased in November. Interest rates have increased slightly. Market experts assume that this is a regulatory measure by lending banks in an attempt to straighten out the strong demand for mortgage loans.

An analysis of the key figures of the EUROPACE platform relating to the intended purpose of the approved mortgages reveals that purchases have increased since the beginning of the year whereas the number of mortgages for new construction projects has stagnated. Refinancing loans are also declining.

Fixed interest periods of 10 years are continuing to gain in importance and account for half of all mortgages; the ratio of 15-year mortgages is continuing to decline.

Trend: House prices are expected to sustain their positive trend over the coming months whereas prices for apartments across the country should continue to decline slightly.

Trade associations anticipate a residential shortage in further German regions over the coming years as a result of the sharp decline in the number of building permits and the abolition of state grants. Prices would then increase accordingly.





	<i>Total</i>	<i>New home</i>	<i>Existing home</i>	<i>Apartment</i>
November 07				
Monthly index	282.2	101.1	89.6	91.5
Monthly index, previous month	281.8	100.2	88.5	93.1
Month-on-month change	0.1%	0.9%	1.2%	-1.7%
M-o-m change, previous month	-0.9%	0.0%	-1.8%	-1.2%
Change by quarterly comparison	-1.7%	-0.2%	-2.2%	-2.8%
Change by quarterly comparison, prev. mth.	-2.9%	-1.5%	-5.5%	-1.9%
Year-on-year change	-4.1%	1.6%	-6.2%	-7.8%
Y-o-y change, previous month	-3.8%	1.8%	-8.3%	-4.9%

Detailed analysis of the indices

Declining: Existing apartments

In November, apartment prices (HPX-apartment) dropped by 1.7 percent compared with the previous month, and are currently at 91.5 points. The average purchasing price is 137,000 euros, the average living space is 84 square metres, and the price per square metre is 1,631 euros on average across Germany. By quarterly comparison, apartment prices declined by 2.8 percent, and year-on-year (November 2006) by 7.8 percent overall.

Increasing: Existing detached single-family and two-family homes

Compared with the previous month, the value of existing houses (HPX-existinghome) declined by 1.2 percent – from 88.5 to an index value of 89.6 points; year-on-year, they have therefore only declined by 6.2 percent. The average land area is 409 square metres. The average purchasing price is 187,000 euros, and has thus increased slightly.

Slightly increasing: New detached single-family and two-family homes

Compared with the previous month, the HPX-newhome index value increased slightly by 0.9 % and is currently at 101.1 points. Year-on-year, the prices of new homes have increased by 1.6 percent. The average land area is 462 square metres, the average living space is 124 square metres and the average purchasing price has increased to about 220,000 euros. The average price per square metre is 1,773 euros.

Methodology:

The figures are collated from anonymised transactions processed via the EUROPACE platform. Hypoport AG, which does not include any institutional investors among its shareholders, 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). EUROPACE's database is currently expanding at a rate of between 6,000 and 8,000 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.





HPX-newhome shows the index for newly built single-family and two-family homes, whereas HPX-existinghome tracks price developments for existing single-family and two-family homes and HPX-apartment for existing individual apartments. The HPX-apartment index is based on the purchasing prices for apartments that meet the following criteria:

- Built after 1950
- Living space between 70 and 100 square metres
- Owner and tenant occupation
- No connected commercial space

The HPX-newhome index is based on the construction costs (incl. land) of new single-family and two-family homes that meet the following criteria:

- Living space between 100 and 150 square metres
- Land area between 200 and 700 square metres
- Owner occupation
- No connected commercial space
- No additional undeveloped land

The HPX-existinghome index is based on the purchasing prices (incl. land) of existing single-family and two-family homes that meet the following criteria:

- Built after 1950
- Living space between 100 and 150 square metres
- Land area between 200 and 700 square metres
- Owner occupation
- No connected commercial space
- No additional undeveloped land

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