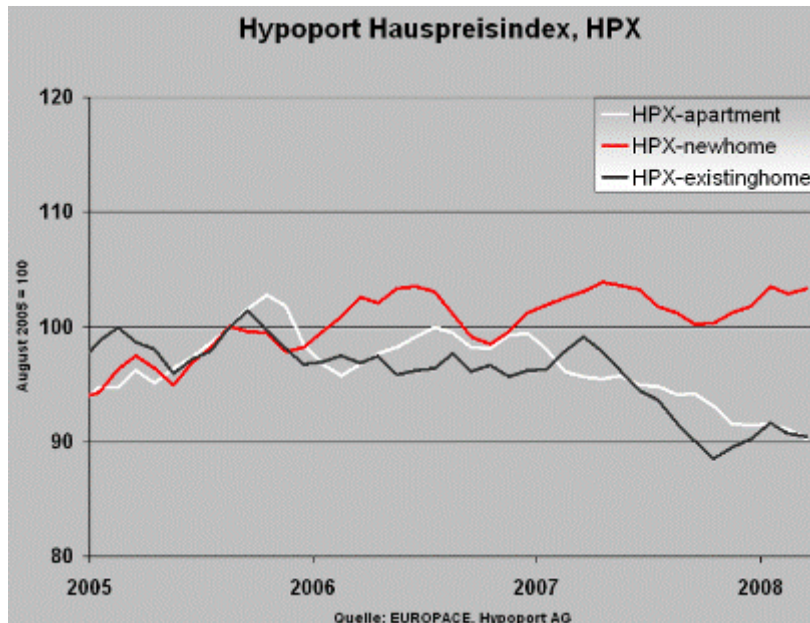




HPX March 2008 German house price index

**Prices dip by 0.25 percent on average in March
Seem to be bottoming out in 2008 – Losses year-on-year**



Berlin, 11 April 2008

Over the course of March 2008 the total house price index dropped by just 0.25%, from 284.7 points to 284 points. Overall, the index has, however, witnessed a slight increase by quarterly comparison. The improvement was driven by strengthened demand for new, single-family and two-family detached homes and existing homes.

By year-on-year comparison

(March 2007), prices for apartments have declined by 5% and for existing houses by 8.6%. New homes were the exception, increasing slightly in value by 0.3%.

The house price index compiled from the EUROPACE trading platform, which is operated by Hypoport AG, does not, however, indicate any significant price increases for apartments across the country. The index is based on the square metre sale price of the properties that is actually paid and indicated in the loan application. The EUROPACE platform now processes some ten percent of all private mortgage transactions in Germany. (www.hypoport.de/europace.html). The database is currently expanding at a rate of 8,000 properties each month.

Monthly comparison	Total	New home	Existing home	Apartment
March 2008				
Monthly index	284	103.3	90.4	90.3
Monthly index, last month	284.7	102.8	90.8	91.1
Monthly change	-0.2459%	0.4864%	-0.4405%	-0.8782%
Monthly change, last month	-0.6976%	-0.6763%	-0.9815%	-0.4372%
3-monthly change	0.1764%	1.5733%	0.1107%	-1.3115%
3-monthly change, last month	0.8859%	1.6815%	1.3393%	-0.4372%
Annual change, y/y	-4.4736%	0.2913%	-8.6869%	-5.2466%
Annual change, y/y, last month	-3.9798%	0.2927%	-7.2523%	-5.2029%



Trend for the coming month: House prices will pick up again slightly.

Average values March 2008								
	<i>Year</i>	<i>Month</i>	<i>Index</i>	<i>Year of construction</i>	<i>Land area, sqm</i>	<i>Purchase price</i>	<i>Living space</i>	<i>Price/sqm</i>
apartment	2008	3	0.903	1984		134,836	84	1,608
existinghome	2008	3	0.904	1985	405	189,523	124	1,532
newhome	2008	3	1.033	2008	467	225,188	124	1,811

Mortgage financing: Interest rates fluctuate strongly every day

Mortgage financing terms are currently witnessing strong fluctuations – triggered time and again by the negative headlines about the US financial crisis and corresponding attempts to overcome the same. Klaus Kannen, member of the Management Board responsible for private client mortgage loans at Dr. Klein, a subsidiary of Hypoport, warns: “We are assuming that interest rates will continue to be subject to severe fluctuation”.

Prospective buyers and property developers should therefore currently keep an eye out for the latest “special offers” each day and then strike while the iron is hot. The lowest interest rates available are currently around 4.00 percent. These terms can be further optimised by opting for as long a fixed term as possible and making use of the statutory right of termination at the end of ten years in order to renegotiate loan agreements (without having to pay a penalty for premature repayment). Financial expert Kannen advises: “Even borrowers whose initial mortgages expire over the next 60 months should grasp the opportunity now to secure the currently very low interest rates over the long term by means of forward loans”. Interest rate levels with a “4” in front of the decimal point are historically unbeatable.

Details on the method of compiling the index can be found on our website:

www.hypoport.de

Contact

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