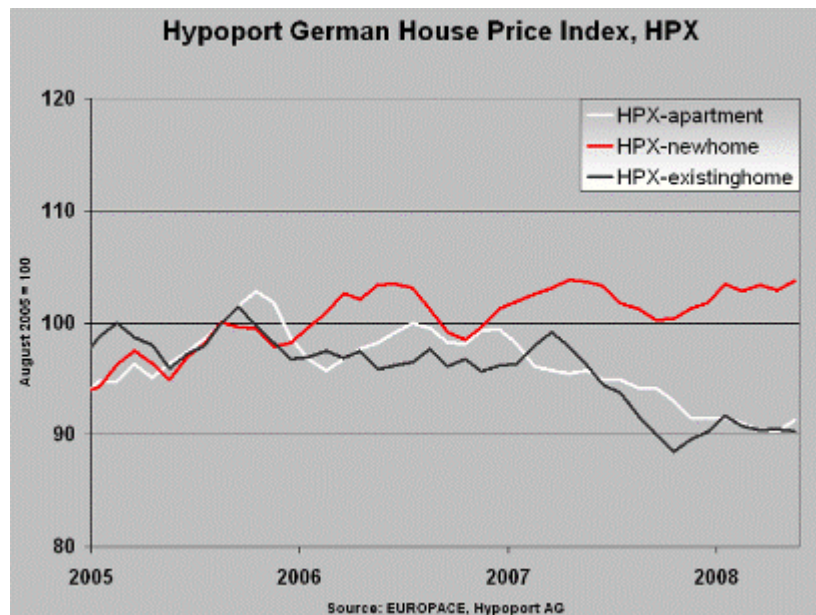




Hypoport house price index May 2008

Back on an upward track?



Berlin, 16 June 2008.

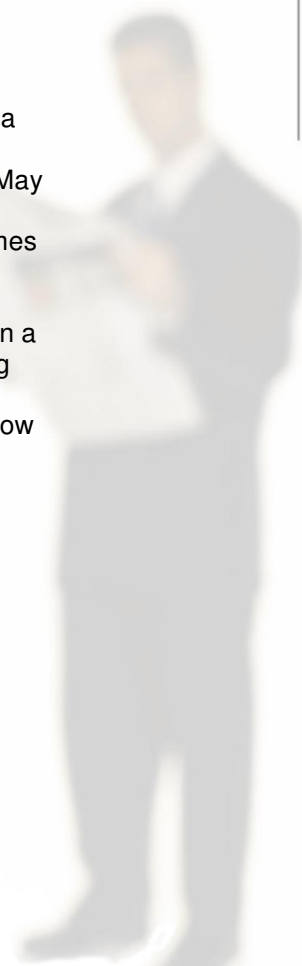
The total house price index recorded a renewed slight gain in May 2008. It reached a level of 285.3 points, equivalent to an increase of 0.6% over the month of May.

By comparison: An index level of 287.2 points was recorded in May 2005, 298.1 in May 2006 and 295.6 in May 2007.

The total index represents an average across Germany. As residential space becomes increasingly scarce, prices are rising much more strongly in built-up areas.

An analysis over several years reveals that prices for newly built houses have shown a consistent, albeit moderate upward trend. Prices for apartments have been declining since the end of 2007 and are only just touching base. The progression for existing houses is similar. Prices have been declining since the beginning of 2007 and are now showing signs of renewed stabilisation.

Forecast: House prices will continue to increase slightly over the coming months. Prices for existing single-family and two-family homes will, however, tend to show lateral progression.





	Total	New home	Existing home	Apartme nt
May 08				
Monthly index	285.3	103.7	90.3	91.3
Monthly index, previous month	283.7	102.9	90.5	90.3
Month-on-month change	0.6%	0.8%	-0.2%	1.1%
M-o-m change, previous month	-0.1%	-0.4%	0.1%	0.0%
Change by quarterly comparison	0.2%	0.9%	-0.6%	0.2%
Change by quarterly comparison, prev. mth.	-1.0%	-0.6%	-1.3%	-1.3%
Year-on-year change	-3.3%	0.1%	-6.0%	-4.3%
Y-o-y change, previous month	-4.3%	-0.9%	-7.4%	-5.0%

Increasing: Existing apartments

The prices for existing apartments (HPX-apartment) posted a remarkable gain of 1.1% over the period under review. As such, the loss in value on year-by-year comparison has declined by 4.3% on average across Germany.

In May 2008, the index value was 91.3 points, compared with 95.4 in 2007 and 97.7 in 2006.

Lateral movement: Existing detached single-family and two-family homes

Compared with the previous month, the index declined by 0.2 percent for existing houses (HPX-existinghome). It dropped from 90.5 points to 90.3 points. Year-on-year, prices have declined by about 6%. The index was at a level of 95.7 points in 2006.

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

The HPX-newhome index increased only slightly by 0.8 percent month on month. A year-on-year comparison reveals no change in value. Since 2006, the index for new houses has maintained a consistent level of about 103 points, in May 2005 it was down to 94.9.

Current month								
	Year	Month	Index	Year of construction	Land area*	Purchase price*	Living space*	Price/sqm*
apartment	2008	5	91.3	1984		137,311	84	1,627
existinghome	2008	5	90.3	1984	409	189,542	123	1,530
newhome	2008	5	103.7	2008	469	226,231	124	1,819

* Average figures

About us: Growing against the market trend

EUROPACE, the financial marketplace operated by Hypoport AG, posted a new record high for the month of April when its transaction volume reached the 1.3 billion euro mark (mortgage financing: 1.2 billion, instalment loans: 0.1 billion euros). In a very poor market environment overall, this equates to an increase of about 30 percent over the previous month's volume of 1.0 billion euros.

In the first quarter 2008, the financial marketplace EUROPACE recorded a transaction volume of 3.4 billion euros, with mortgage financing accounting for the lion's share, at 3.2 billion euros. According to Ronald Slabke, spokesman for the Management Board: "The volume for the quarter is the largest ever reported in the history of the company. We are particularly proud of the fact that we are even continuing to grow in a declining market." Compared with the same period last year, the volume represents an increase of 13% in a tense financing market environment.



According to statistics published by Deutsche Bundesbank, new mortgage financing business in the first two months 2008 in Germany was 5 % lower than the same period 2007.

In order to ensure continued growth in a stagnating market environment, Hypoport is expanding the range of services it offers to large financial services vendors, banks, savings banks and insurance companies, and reinforcing its management in this market segment that it has earmarked for strategic development.

Stephan Gawarecki, formerly in charge of insurance and financial investment products, will assume responsibility for the Group's overall private client business on the Management Board of Dr. Klein & Co. AG, the highly successful private clients arm of Hypoport AG, in future. According to Gawarecki: "By merging the two product divisions "Financing products" and "Insurance and financial investments", we expect to generate both significant synergy effects in client acquisition, and additional contributions to revenues over and above our organic growth through further intensifying our cross selling".

Prof. Dr. Thomas Kretschmar, second Co-CEO of the Group, adds: "Following the announcement of ING's acquisition of Interhyp AG, we are the ideal independent partner, especially for institutional clients, to allow them to position themselves in the fiercely competitive markets for mortgage financing products and (home) saving schemes. We expect the use of our integrated marketplace to significantly reduce the process costs for sales organisations and product providers, resulting in improvements of between 0.1% and 0.3% in terms and conditions. In a market that is becoming increasingly competitive, this can quickly determine whether a sales organisation or product provider is successful, or not."

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). EUROPACE's database is currently expanding at a rate of between 4,000 and 6,000 properties each month.

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