

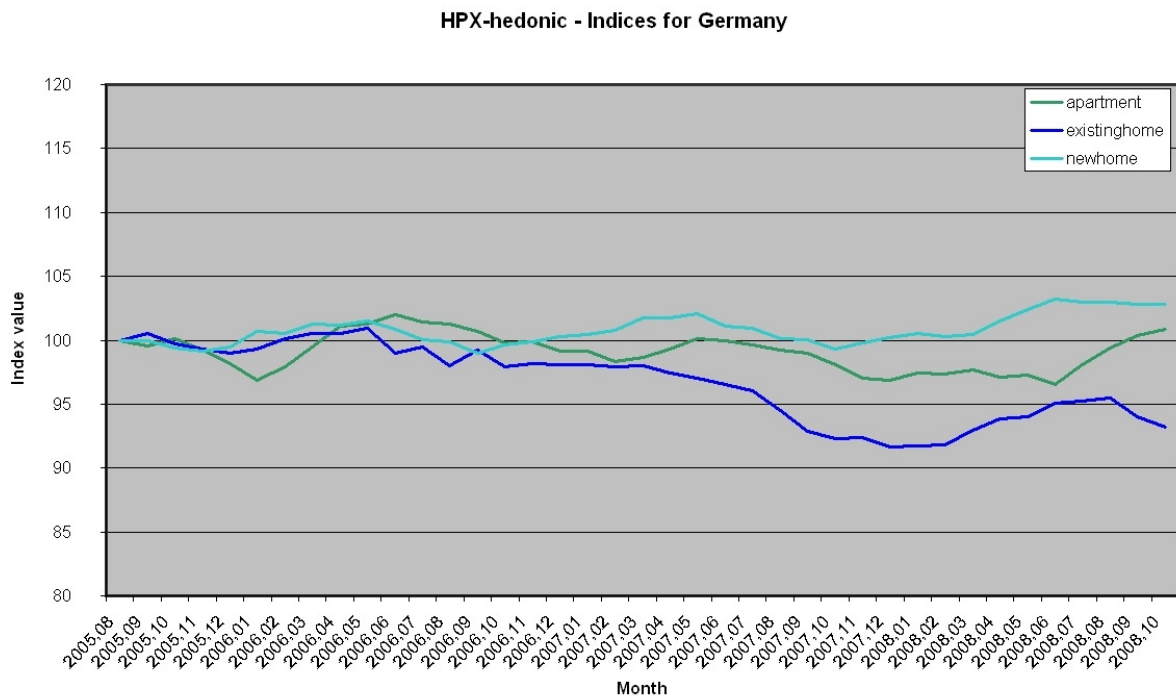
Press release

Real estate

Hedonic house price index October 2008, issued by Hypoport AG

Berlin, 21 November 2008: The real estate market is not impervious to the impacts of consumer reticence. The slowdown in economic growth caused the house price index to decrease slightly again in October. The German real estate market is nevertheless managing to largely distance itself from developments on the international markets since it is not prone to the speculative price exaggerations that Spain or England are witnessing.

The HPX indices in summary:



Source: EUROPACE, Hypoport AG

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The HPX indices in detail:

Slightly declining: Total index

October 2008	296.83
September 2008	297.17
August 2008	297.84

As in previous months, the index weakened once again in October. At a moderate 0.12 percent, however, the decline is much less severe than has been the case in previous months (price stabilisation). Year-on-year, the total index is still showing a gain of approximately 2.4 percent (296.83 compared with 289.72 in October 2007).

Slightly increasing: Prices for apartments ("apartments")

October 2008	100.82
September 2008	100.39
August 2008	99.39

Prices for apartments climbed once again in October, this time to 100.82 points, although the overall rate of increase – at 0.43 percent – is showing ever more signs of weakening. Back in August, the index had risen by 1.4 percent, and by 1.0 percent in September.

Stable: Prices for new single-family and two-family homes ("new homes")

October 2008	102.79
September 2008	102.81
August 2008	102.94

New single-family and two-family homes are continuing to sell at fairly consistent prices. October continued the stable trend of previous months and has clearly improved year-on-year (October 2007: 99.29 points).

Declining slightly: Prices for existing single-family and two-family homes ("existing homes")

October 2008	93.22
September 2008	93.97
August 2008	95.51

Following the marked dip (1.6 percent) from August to September, existing single-family and two-family homes again dropped 0.8 percent and were the reason behind the slight decline in the total index.

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Assessment and forecast:

Prices of new homes are reflecting the higher costs of energy and the healthy economic environment. The lack of new construction in recent years has, moreover, encouraged the consolidation of the supplier's market. The deteriorating economic situation will probably not cause any major declines for the time being. Existing properties, on the other hand, did witness price corrections, although there are signs that the index has already bottomed out. Apartments are continuing to benefit from the trend towards living in town and increased again slightly in October. Unlike their European neighbours, especially in Spain and England, German residential properties are generally being spared any marked price corrections. Following the boom in the wake of reunification, the German market has not actually increased in value at all over recent years, whereas speculative price bubbles have formed on the international market. As such, the German market will continue to show strong and healthy development.

Method of calculating the hedonic HPX indices

The house price indices are based on actual transaction data obtained from the EUROPACE platform and are compiled by Hypoport AG on a monthly basis. Hypoport AG operates the EUROPACE platform as Germany's only independent marketplace. EUROPACE now processes some ten percent of all private mortgage transactions in Germany. The total index represents the average aggregate of the individual indices. More information on how the hedonic index is calculated can be obtained from <http://www.hypoport.de/indizes.html>

About Hypoport AG

Hypoport Group is an internet-based all-round financial services provider based in Berlin. The Group employs more than 450 people. The company has been listed in the Prime Standard on Deutsche Börse since the end of 2007. Its business model consists of two reciprocally beneficial pillars – the sale of financial products (Dr. Klein & Co. AG) and the provision of a platform for transacting financial products via the internet.



Hypoport operates the EUROPACE B2B financial marketplace, which is the largest German online platform for transacting financing products. A fully integrated system links more than 30 banks with several thousand financial advisors, thus enabling the quick and direct agreement of contracts. The platform's highly automated processes generate considerable cost benefits. Nowadays, EUROPACE processes some 400 financing transactions every day. Hypoport AG publishes the monthly house price index (HPX) based on real transaction data.

A list of the banks and service providers that use the platform can be downloaded from www.hypoport.de, as can the Annual Report 2007.

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