

Press release

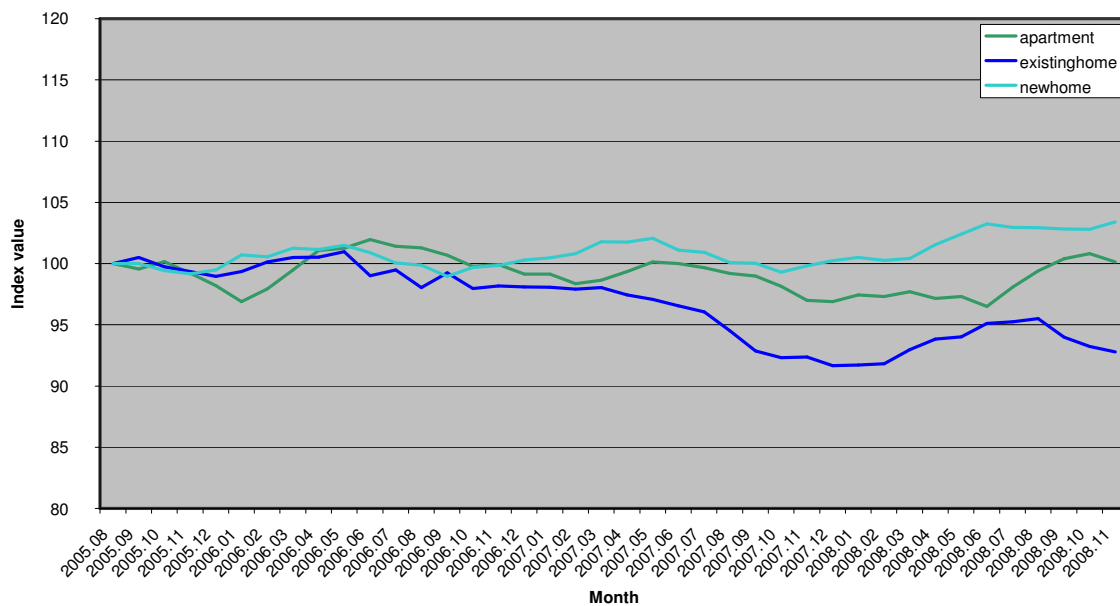
Real estate

Hedonic house price index November 2008, issued by Hypoport AG

Berlin, 5 December 2008: German property assets are still well grounded, in spite of slight fluctuations. Prices for owner-occupied apartments and existing homes are declining slightly, whereas new residential construction is strengthening the domestic market. The financial crisis is, however, prompting a noticeable increase in caution among purchasers. As a result, the total index of German house prices declined slightly once more in November.

The HPX indices in summary:

HPX-hedonic - Indices for Germany



Source: EUROPACE, Hypoport AG

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The HPX indices in detail:

Slightly declining: Total index

| | |
|----------------|--------|
| November 2008 | 296.28 |
| October 2008 | 296.83 |
| September 2008 | 297.17 |

The total index dropped to 296.28 points in November, equivalent to a decline of 0.19 percent. Although the index had consistently reported increases in value up to August, it has lost 0.52 percent in total over the past three months. Nevertheless, it is still well above the previous year's level of 289.14 points, recording an overall gain of 2.47 percent.

Declining slightly: Prices for apartments ("apartments")

| | |
|----------------|--------|
| November 2008 | 100.13 |
| October 2008 | 100.82 |
| September 2008 | 100.39 |

November witnessed the first decline in the index for apartments since last June. Since its strong increase last July (1.61 percent), the growth rates of the index have declined consistently. Following a decline of 0.68 percent in November, the index is now at a level of 100.13 points. By year-on-year comparison it has, however, still performed well, gaining 3.24 percent overall (November 2007: 96.99 points).

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

| | |
|----------------|--------|
| November 2008 | 103.38 |
| October 2008 | 102.79 |
| September 2008 | 102.81 |

The total index was only propped up by new single-family and two-family homes, whose index gained 0.57 percent. At 103.38 points, this index has gained 3.58 percent in year-on-year comparison (November 2007: 99.81).

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

| | |
|----------------|-------|
| November 2008 | 92.77 |
| October 2008 | 93.22 |
| September 2008 | 93.97 |

The index for existing single-family and two-family dipped slightly once more. The moderate decline of 0.49 percent to 92.77 points is, however, considerably smaller than the losses witnessed in the past two months (September 2008: 1.61 percent; October 2008: 0.8 percent).

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Assessment and forecast:

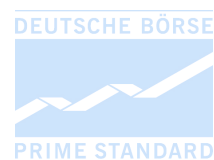
The scenario presented by the index in November reflects the developments over the past years. Although existing single-family and two-family homes have been subject to consistently declining prices, these can now be expected to stabilise. By contrast, apartments have been showing signs of improving over recent months. New homes have, above all, witnessed price gains. All three indices will probably show an upward trend in future. The surplus availability of existing houses has largely dissipated; this will help to arrest the downward price trend. The attractive combination of nature and culture will continue to attract buyers to homes in urban locations, especially the "50+" generation of willing investors. The demand for new homes will not abate, in spite of increasing construction costs. Investors increasingly crave the security offered by German property assets in times of turbulence. Added to which, owner-occupied homes in Germany are meanwhile considerably cheaper than in neighbouring countries. Since recent declines in interest rates are not automatically being reflected in the mortgage terms, buyers should still demand transparency and compare rates despite the current availability of bargains.

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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