

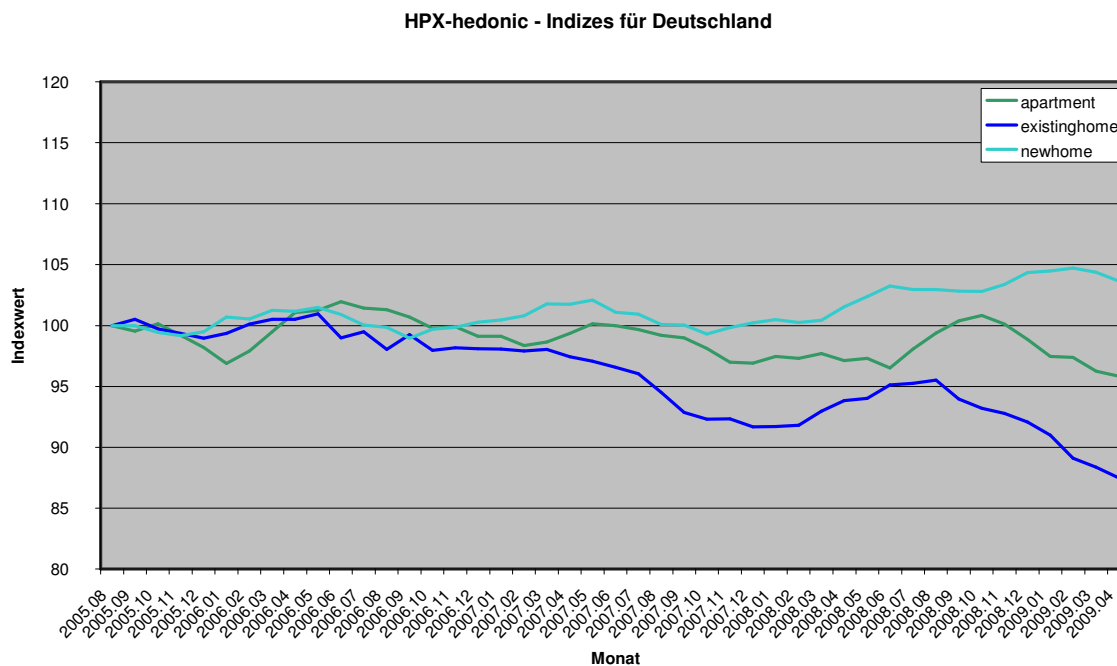
Press release

Real Estate

Hedonic house price index April 2009, issued by Hypoport AG

Berlin, 25 May 2009: The total index declined once again in April. Prices for apartments only dipped slightly, whereas the price indices for new homes and existing houses, above all, witnessed a marked decline. In light of the general uncertainty and desire for detailed information, Hypoport AG has performed assessments focusing specifically on price developments of German real estate in various locations this month.

The HPX indices in summary:



Quelle: EUROPACE, Hypoport AG

Assessment and forecast:

The price indices for all categories declined once again in April. This general decline in prices was, however, not accompanied by a reduction in the volume of mortgage transactions nor by any marked change in private construction activity. The volume of private real estate that changed hands in the first quarter of 2009, and especially in March, has increased significantly by year-on-year comparison according to Bundesbank. The general uncertainty among the population may have caused the current drop in price levels, but it has not brought the market to a standstill. As the German market is extremely heterogeneous, price developments were not consistent across the country. Location plays a central role in determining the value and price stability of property in Germany. Since these influencing factors of location are not intuitively understandable, Hypoport has performed additional statistical analysis for the month of April. The data records of the financing transactions that were actually concluded – and processed on the EUROPACE platform – provide an insight into regional

trends. Price movements in major built-up areas and cities map the development of the total index, whereas prices have declined much more strongly in rural regions. The smaller German towns are positioned between these two and are proving to be very stable by comparison: prices in this sub-segment have demonstrated consistently better performance than the total index since 2005. Prices in East German regions have also performed better than the total index, whereas the regions to the West and North have largely developed in line with the index. Contrary to general expectations, the performance of all categories in the South of the country has been noticeably poor. Decisions to purchase a property should therefore include a fundamental analysis of the location in the selection process. Nobody can say for sure whether prices will continue to decline over the short term or pick up again very soon. The experience we have gained from dealings with our clients does, however, demonstrate that this aspect is generally of only secondary importance. After all, Prof. Dr. Thomas Kretschmar, Co-CEO at Hypoport AG, knows: "Germans – and especially private clients—invest with a clearly longer term horizon". The likelihood that prices will pick up again in all categories over the medium and long terms is extremely high.

The HPX indices in detail:

Declining: Total index

April 2009	286.93
March 2009	288.99
February 2009	291.19

The total index declined once again in April. Following a reduction of 0.71 percent, the index is currently recording 286.93 points, equivalent to a decrease of 1.9 percent compared with its level last year (April 2008: 292.6 points). Prices for apartments only dipped slightly this month, whereas existing houses and new homes, above all, pushed the index below the level witnessed this time last year for the second consecutive month.

Slightly declining: Prices for apartments ("apartments")

April 2009	95.81
March 2009	96.24
February 2009	97.38

Since last month, prices for apartments have shown a moderate decline of 0.45 percent. At 95.81 points, the index is therefore 1.36 percent below the level witnessed in April last year. Since the index is flattened over three months, the enormous decline in prices that was witnessed in March has pushed the index down in April and will probably continue to do so in May, as well. Stabilisation will not become evident before June at the earliest.

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

April 2009	103.63
March 2009	104.38
February 2009	104.70

The index for new single-family and two-family homes declined for the second consecutive month in April. Compared with the previous month, the rate of decline has more than doubled (decrease in March 2009: 0.31 percent). The index level of 103.63 points is nevertheless still 2.07 percent higher than the level witnessed this time last year. In spite of several slight declines last year, the prices for new homes have been consistently and markedly better by year-on-year comparison for one year now.

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

April 2009	87.49
March 2009	88.37
February 2009	89.11

The index for existing homes dipped yet again in March. Compared with the previous month, the index level of 87.49 points represents a decline of 1 percentage point. By quarterly comparison, the index has dropped 3.87 percent (January 2009: 91.01 points) whereas year on year prices for existing homes are actually 6.76% lower than the level witnessed in April 2008 (93.83 points).

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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 found at <http://www.hypoport.de/partner.html>. The Annual Report 2008 is available for download at <http://www.hypoport.de/publikationen.html>.

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