

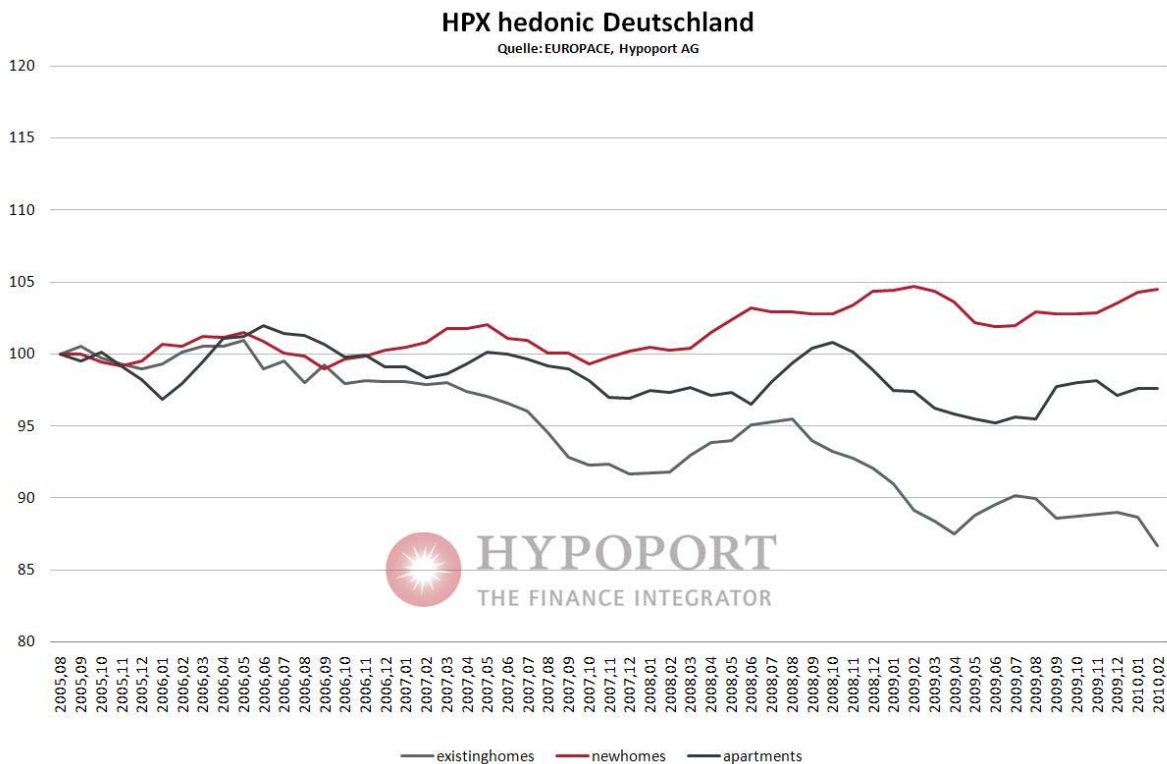
# Press release

Real estate

## Hedonic house price index issued by Hypoport AG: February 2010

Berlin, 23 March 2010: The trends on the real estate market are continuing: As the economy continues to recover, prices for apartments and new single-family and two-family homes are again posting slight increases. By contrast, existing single-family and two-family homes suffered a marked drop in value.

The HPX indices in summary:



### Assessment and forecast:

Low levels of interest rates are still a good argument in favour of purchasing real estate. The uncertainties surrounding the labour market, declining real wages and national debt are all, however, weighing heavily. The demand for existing residential property, in particular, seems to be subdued. In addition to these uncertainties, this could possibly be due both to the expense involved in renovations

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as building materials increase in price, and to seasonal effects. As such, increasing prices for existing homes do not seem to be a likely prospect.

**The HPX indices in detail:**

**Declining: Total index**

Month	Index value	Month-on-month change
February 2010	288.71	- 0.63 %
January 2010	290.53	+ 0.29 %
December 2009	289.70	- 0.06 %

The total index posted a loss of 0.63 percent in February compared with the previous month (January 2010: 290.53), which was solely due to the strong drop in prices for existing homes. The indices for new homes and apartments remained stable, whereas the index for existing homes dropped to its lowest level in five years. By quarterly comparison, the total index has witnessed a slight decline (November 2009: 289.88). At its current level of 288.71 points, it is 0.85 percent short of the level of 291.19 points witnessed this time last year.

**Stable: Prices for apartments ("apartments")**

Month	Index value	Month-on-month change
February 2010	97.59	+ 0.01 %
January 2010	97.58	+ 0.44 %
December 2009	97.15	- 1.04 %

The index for apartments remained stable at 97.59 points (January 2010: 97.58). Year on year, it has increased slightly, by 0.22 percent (February 2009: 97.38). By quarterly comparison, the index is 0.59 percent short of the 98.17 points recorded in November 2009.

**Slightly increasing: Prices for new single-family and two-family homes ("new homes")**

Month	Index value	Month-on-month change
February 2010	104.47	+ 0.19 %
January 2010	104.27	+ 0.72 %
December 2009	103.52	+ 0.65 %

The trend witnessed in recent months continued into February: at 104.47 points, the index for new homes is 0.19 percent higher than the level witnessed the previous month and 1.58 percent higher than the level recorded in November 2009 (November 2009: 102.85). The index reached a record high one year ago (February 2009: 104.70) and is currently 0.22 percent short of this all-time high.

**Strongly declining: Prices for existing single-family and two-family homes ("existing homes")**

Month	Index value	Month-on-month change
February 2010	86.65	- 2.29 %
January 2010	88.68	- 0.39 %
December 2009	89.03	+ 0.19 %

Compared with the previous month, the index for existing homes declined by 2.29 percent (January 2010: 88.68). This is the strongest monthly decline overall in the history of the index. At 86.65 points, the index is at the lowest value ever recorded since its calculation first began. The previous lowest level was witnessed in April 2009, when the index dropped to 87.49 points. By quarterly comparison, the index has dropped 2.49 percent (November 2009: 88.86), and year on year by 2.79 percent (February 2009: 89.11).

### **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 is available at <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 some 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 40 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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