

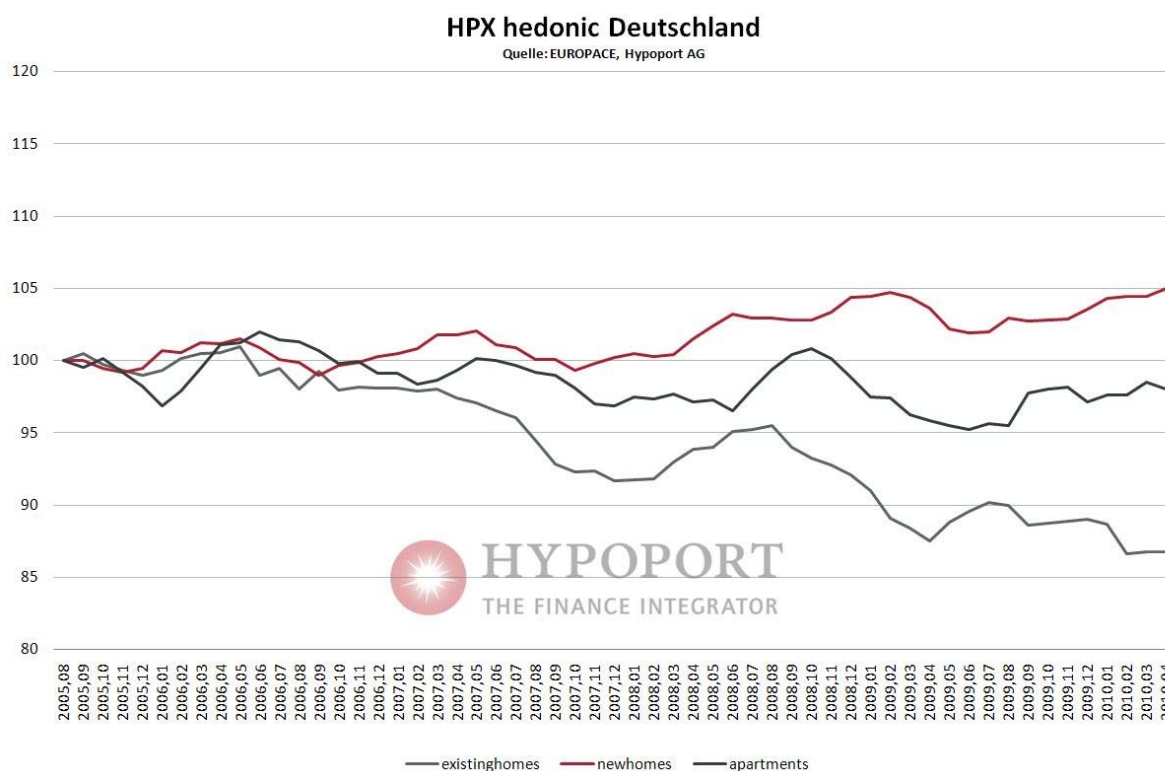
# Press release

Real estate

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

Berlin, 20 May 2010: The total index for the German real estate market remained stable in April 2010. A decline in the prices for apartments was balanced out by an increase in the values of single-family and two-family homes. The index for new homes has reached its highest level ever since the figures first started being recorded.

The HPX indices in summary:



### Assessment and forecast:

As the economy continues its upwards trend, the outlook for the labour market is improving. "Concrete gold" is still considered to be a secure investment. Added to which, the low levels of interest rates definitely support the acquisition of real estate. Interest rates are expected to remain low over the coming months. The prices for new construction projects could continue to increase slightly in the wake of the rising costs of raw materials and land prices, whereas the prices for existing homes will probably stagnate. There is, however, a marked distinction between the construction costs in different regions: the average square metre prices in the south are much higher than in the north.

### The HPX indices in detail:

#### Stable: Total index

Month	Index value	Month-on-month change
April 2010	289.78	+ 0.05 %
March 2010	289.63	+ 0.32 %
February 2010	288.71	+ 0.63 %

The total index remained stable in April at 289.78 points (March 2010: 289.63 points). Prices for existing homes remained unchanged, whereas the cost of building new homes increased slightly, whilst the prices for apartments dipped marginally. By year-on-year comparison, the total index is recording an increase of 0.99 percent (April 2009: 286.93 points). The last time prices increased by about 1 percent within one year was 15 months ago. Since the index level of 290.53 points registered in January 2010 was the highest it had been since February 2009, the total index is currently lagging 0.26 percent behind the level posted in January by quarterly comparison.

#### **Slightly declining: Prices for apartments ("apartments")**

Month	Index value	Month-on-month change
April 2010	98.04	- 0.45 %
March 2010	98.48	+ 0.91 %
February 2010	97.59	+ 0.01 %

Following the consistent rise in the prices for apartments over recent months, the index is currently -0.45 percent short of the level recorded last month at 98.48 points. By quarterly comparison, prices have increased by 0.47 percent (January 2010: 97.58 points). The year-on-year comparison clearly highlights the increases witnessed in recent months: the index is 2.33 percent higher than the level posted in April 2009 (April 2009: 95.81 points).

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

Month	Index value	Month-on-month change
April 2010	104.95	+ 0.51 %
March 2010	104.42	+ 0.05 %
February 2010	104.47	+ 0.19 %

In April, the index for single-family and two-family homes reached its highest level ever of 104.95 points since the figures first started being recorded. The last all-time high of 104.70 points was measured in February 2009. The index has increased by 0.51 percent compared with the previous month (March 2010: 104.42 points), by 0.65 percent by quarterly comparison (January 2010: 104.27 points), and by 1.27 percent compared with April last year (April 2009: 103.63 points).

#### **Stable: Prices for existing single-family and two-family homes ("existing homes")**

Month	Index value	Month-on-month change
April 2010	86.79	+ 0.07 %

March 2010	86.73	+ 0.09 %
February 2010	86.65	+ 2.29 %

Prices for existing homes rose by a mere 0.07 percent in April 2010, thus sustaining the stability of the previous month (March 2010: 86.73 points), albeit the index is still far short of its starting level. The segment of existing homes is therefore the clearest indication of price developments. Since the beginning of the year, prices have declined by 2.31 percent (January 2010: 88.86 points); the index is 0.80 percent short of the level of 87.49 points witnessed last year.

#### **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 2009 is available for download at <http://www.hypoport.de/publikationen.html>.



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