

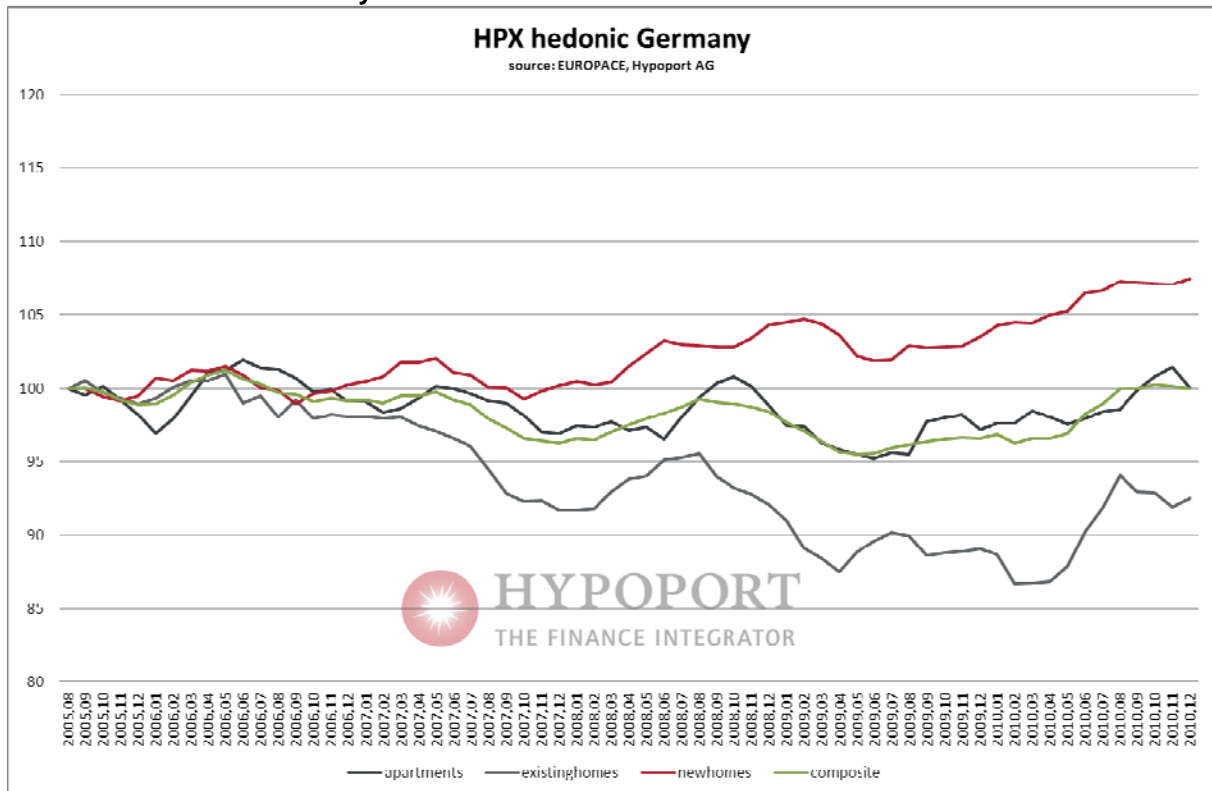
Press release

Real estate

Hypoport House Price Index: December 2010

Berlin, 17 January 2011: The rise in lending rates and construction costs prompted different reactions by the individual indices for residential property in December. Apartments sacrificed some of their appeal, whereas higher costs pushed up the prices of new and existing homes.

The HPX indices in summary:



Assessment and forecast:

The business climate in Germany is good. At 109.9 points, the Ifo Index has reached the highest level ever recorded. Imports and exports are flourishing. Interest rates are rising. In addition to the cost of capital, the prices for materials used in owner-occupied properties are also increasing. Rising costs of construction will push up the prices of both new construction and modernisation projects. The HPX indices for December reflect the first signs of this trend. The strong increase in the index for apartments, which was partly prompted by the utilisation in recent months of apartments for investment purposes, has wavered in the face of rising interest rates. All three segments can be

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expected to witness rising prices in 2011. New homes will show the most marked increase in value over the first six months.

The HPX indices in detail:

Total index: declining slightly

Month	Index value	Month-on-month change
December 2010	100.01	+ 0.15%
November 2010	100.15	- 0.10%
October 2010	100.26	+ 0.25 %

Towards year-end 2010, the total index posted a slight decline for the second consecutive month. At 100.01 points, the total index in December dipped 0.15 percent by month on month comparison to the same level witnessed three months ago (September 2010: 100.01 points). Prices for both new and existing homes increased in December. By contrast, the index for apartments corrected downwards for the first time after consistently posting gains over the last six months. Year on year, the total index is 3.56 percent ahead (December 2009: 96.57 points).

Apartments ("apartments"): strongly declining

Month	Index value	Month-on-month change
December 2010	100.04	+ 1.40%
November 2010	101.46	+ 0.65%
October 2010	100.80	+ 0.93 %

The index for apartments posted a loss for the first time since May 2010. Prices for apartments declined by 1.4 percent, bringing the index to 100.04 points in December. This equates to a gain of 0.17 percent by quarterly comparison (September 2010: 99.87 points) and of 2.97 Prozent year on year (December 2009: 97.15 points). As such, the index for owner-occupied apartments remained above the levels posted in 2009 throughout the entire year 2010.

New single-family and two-family homes ("new homes"): stable

Month	Index value	Month-on-month change
December 2010	107.46	+ 0.35%
November 2010	107.09	+ 0.02 %
October 2010	107.11	+ 0.08 %

The index for new homes increased by 0.35 percent to 107.46 points in December. As such, prices for new homes are 3.81 percent higher than the value witnessed this time last year (December 2009: 103.52 points). By quarterly comparison, the index is currently 0.24 percent above the level posted in September (107.20 points). Overall, the index for new homes has therefore reached its highest ever recorded level.

Existing single-family and two-family homes ("existing homes"): strongly declining

Month	Index value	Month-on-month change
December 2010	92.52	+ 0.66%
November 2010	91.91	+ 1.02 %
October 2010	92.86	+ 0.09 %

Prices for existing homes also increased in December. Following a sharp decline in November (-1.02 percent), the index for existing homes gained 0.66 percent to close out December at 92.52 points. As

such, the index is now 0.45 percent short of the level witnessed in September 2010 (92.94 points). At the same time, it has gained 3.92 percent over the level witnessed in December 2009 (89.03 points).

Method of calculating the hedonic HPX indices

Hypoport AG operates the EUROPACE platform, which is the only independent marketplace for mortgage financing transactions in Germany. EUROPACE now processes some ten percent of all private mortgage transactions in Germany. 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. 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 50 product providers 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 2009.

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