

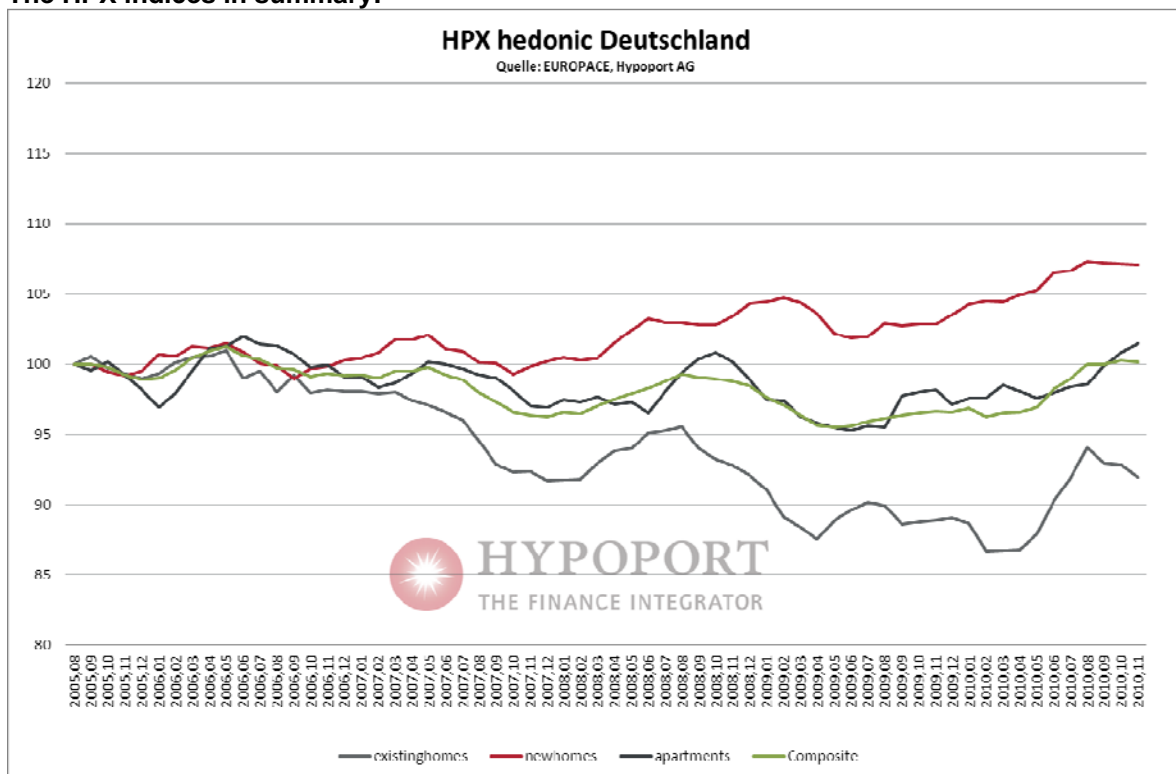
# Press release

Real estate

## Hypoport House Price Index: November 2010

Berlin, 16 December 2010: The index for existing homes declined in November, unlike its apartments counterpart, which posted a gain. As prices for new homes remained stable, the resulting total index development was virtually static. Inconsistent predictions with regard to the influencing factors have promoted increased uncertainty as to how real estate prices will develop over the short term.

The HPX indices in summary:



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**Assessment and forecast:**

Real estate has always been one of the preferred forms of investment in Germany. Interest has again picked up considerably in recent months. Prices have been developing accordingly, reflecting not only this renewed interest in home ownership, but also the yearning for security. Even from a shorter term perspective, the arguments for home ownership are convincing: inflation expectations are on the rise and property promises protection. By the same token, the German economy is well on the path to seemingly full recovery in the near future. The DAX is climbing to new heights as private investor focus returns to equities. What is unclear, however, is the extent to which other eurozone countries will burden both the budget and the taxpayers in Germany in the future. Ireland's decision whether or not to draw down the guarantees, and developments in Portugal and Spain all have a direct impact on investors' risk appetite and, as such, on the demand for real estate. At the same time, signs are emerging that mortgaging costs could increase, which would, in turn, put a damper on the demand for property.

**The HPX indices in detail:**

**Total index: declining slightly**

Month	Index value	Month-on-month change
November 2010	100.15	- 0.10%
October 2010	100.26	+ 0.25 %
September 2010	100.00	+0.02 %

Compared with the previous month, the total index dipped slightly in November, by 0.1 percent. This decline was the outcome of the strong drop in prices for existing homes combined with a slight gain posted by the index for apartments. Prices for new homes remained virtually stable, posting a slight drop of 0.02 percent. By year on year comparison, the total index is 3.65 percent ahead of the level posted in November 2009 (96.63 points).

**Apartments ("apartments"): strongly increasing**

Month	Index value	Month-on-month change
November 2010	101.46	+ 0.65%
October 2010	100.80	+ 0.93 %
September 2010	99.87	+ 1.32 %

The index for apartments posted yet another gain, of 0.65 percent by month on month comparison (October 2010: 100.8 points). As such, the index for apartments is now 3.35 percent ahead of the level posted this time last year (November 2009: 98.17 points). As a result of the strong monthly increases since September, the index is now 2.93 percent ahead by quarterly comparison (August 2010: 98.57 points).

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

Month	Index value	Month-on-month change
November 2010	107.09	+ 0.02 %
October 2010	107.11	+ 0.08 %
September 2010	107.20	+ 0.10 %

The index for new homes remained stable, posting a slight drop of 0.02 percent. At 107.09 points, it is 4.12 percent ahead by year on year comparison (November 2009: 102.85 points). By quarterly comparison, the index is currently 0.21 percent below the level posted in August 2010 (107.31 points).

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

Month	Index value	Month-on-month change
November 2010	91.91	+ 1.02 %
October 2010	92.86	+ 0.09 %
September 2010	92.94	+ 1.20 %

Following a month of stable development in October, the index dropped by 1.02 percent in November and is currently standing at 91.91 points. By quarterly comparison, the prices for existing homes have therefore weakened by 2.3 percent (August 2010: 94.07 points). At their current level, however, existing homes are still 3.43 percent more expensive than they were this time last year (November 2009: 88.86 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](http://www.hypoport.de), as can the Annual Report 2009.

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