

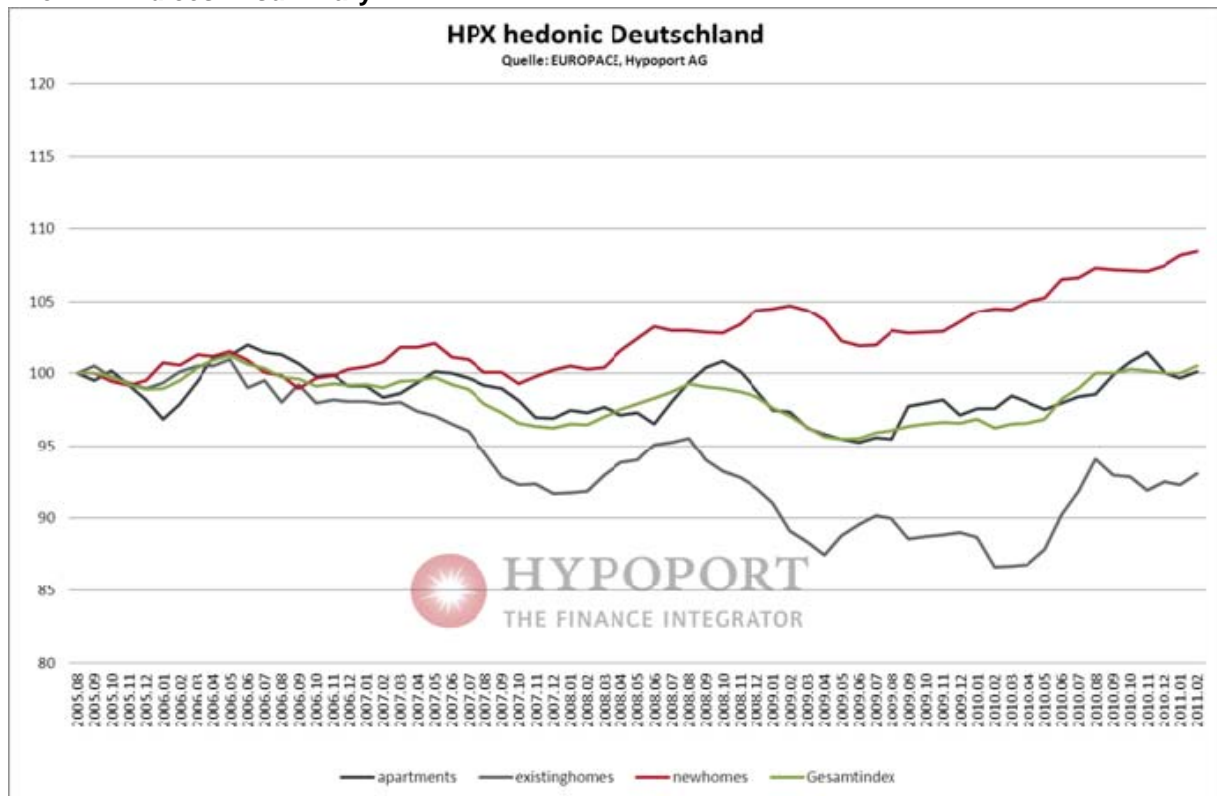
Press release

Real estate

Hypoport House Price Index: February 2011

Berlin, 21 March 2011: All of the indices posted gains in February 2011. Although the index for new homes increased by only a comparatively small amount, it still managed to top a new record high. For the first time in two months, the index for apartments is again pointing upwards. The total index and the index for existing homes are farther ahead by year on year comparison than they have ever been before.

The HPX indices in summary:



Assessment and forecast:

Energy, energy and still more energy. Policymakers' opinions diverge on how to deal with this issue. The federal government decided to reduce the subsidisation of alternative energies – the so-called green power privilege – in February in order to contain electricity prices, which were soaring as a result. Some applauded the move in light of the fact that electricity and gas prices are very high in Germany, compared with Europe as a whole. Others criticised it, stressing the urgent need for new

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climate protection policies. The latter opinion is currently gaining ground, albeit for quite different reasons. In light of the threat of a nuclear catastrophe from any one of several nuclear power plants in Japan, words such as urgency and protection are taking on a whole new meaning. It was this threat that prompted the federal chancellor, two days ago, to impose a moratorium on the extension of nuclear power plant lifetimes in Germany pending further thorough investigation. Many experts across the board agree that pulling out of nuclear power earlier would cause energy costs to rise again over the short term. Recent events in the Middle East are also being blamed for the current increase in energy prices. The only approach that real estate owners can adopt to lower their costs over the long term, protect the environment and gain independence from natural resources is to gradually modernise.

The HPX indices in detail:

Total index: strongly increasing

Month	Index value	Month-on-month change
February 2011	100.53	+ 0.50%
January 2011	100.03	+ 0.02%
December 2010	100.01	+ 0.15%

February 2011 marked the first time since August 2010 (1.03 percent increase) that the total index posted another significant gain. The rise of 0.5 percent by month on month comparison was the result of strong price increases across all the individual indices. Year on year, the total index is now 4.46 percent ahead of 2010 (February 2010: 96.24 points). This represents the biggest difference by year on year comparison since the index calculations began.

Apartments ("apartments"): strongly increasing

Month	Index value	Month-on-month change
February 2011	100.13	+ 0.47%
January 2011	99.66	+ 0.38%
December 2010	100.04	+ 1.40%

After weakening for two consecutive months, the index for apartments posted a significant gain of 0.47 percent in February 2011. At 100.13 points, it is currently about 1.31 percent ahead of the level witnessed three months ago (November 2010: 101.46 points). Year on year, this month's index is some 2.6 percent higher than the level posted this time last year (February 2010: 97.59 points).

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

Month	Index value	Month-on-month change
February 2011	108.43	+ 0.24%
January 2011	108.17	+ 0.66%
December 2010	107.46	+ 0.35%

The index for new homes posted its third strong increase in succession. At 108.43 points, the index for new single-family and two-family homes has reached a new all-time high. One year ago, the index was 3.79 percent behind its current level (February 2010: 104.47 points). Three months ago, in November 2010, it was 1.25 percent short of its current level (November 2010:107.09 points).

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

Month	Index value	Month-on-month change
February 2011	93.03	+ 0.83%

January 2011	92.26	+ 0.28%
December 2010	92.52	+ 0.66%

The index for existing single-family and two-family homes is also posting strong gains. The increase of 0.83 percent is bringing the index slowly back up to the 95 mark. Back in August, it had already closed up on the mark, but weakened again over the following months without having topped it. Year on year, the index for existing homes is currently 7.36 percent ahead (February 2010: 86.65 points). Like the total index, this gain represents the largest difference by year on year comparison since the HPX calculations began.

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

As both an independent vendor of financial products and operator of a B2B financial marketplace, Hypoport is successfully active in two segments that mutually complement each other. Hypoport always offers the simplest means of accessing the best financial services on offer.

Hypoport develops and operates the web-based EUROPACE financial marketplace, which is Germany's largest platform for mortgage financing, property acquisition-related savings schemes and personal loans. A fully integrated system brings together more than 140 partners from the fields of banking, insurance and financial service vendors. Several thousand users process some ten thousand financing transactions with a total volume of as much as 1.5 billion Euros on EUROPACE each month.

Dr. Klein & Co. AG, a subsidiary of Hypoport, is an internet-based and independent vendor of financial services. The experts at Dr. Klein provide comprehensive advice on mortgage financing, insurance products and financial investments to private clients. Dr. Klein & Co. AG has been a preferred partner for the provision of financial services to the residential property industry, municipal clients and commercial real estate investors since 1954.

The registered office of Hypoport AG is Berlin. The company employs more than 450 people and is listed in the Prime Standard on Deutsche Börse, the German stock exchange.

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