

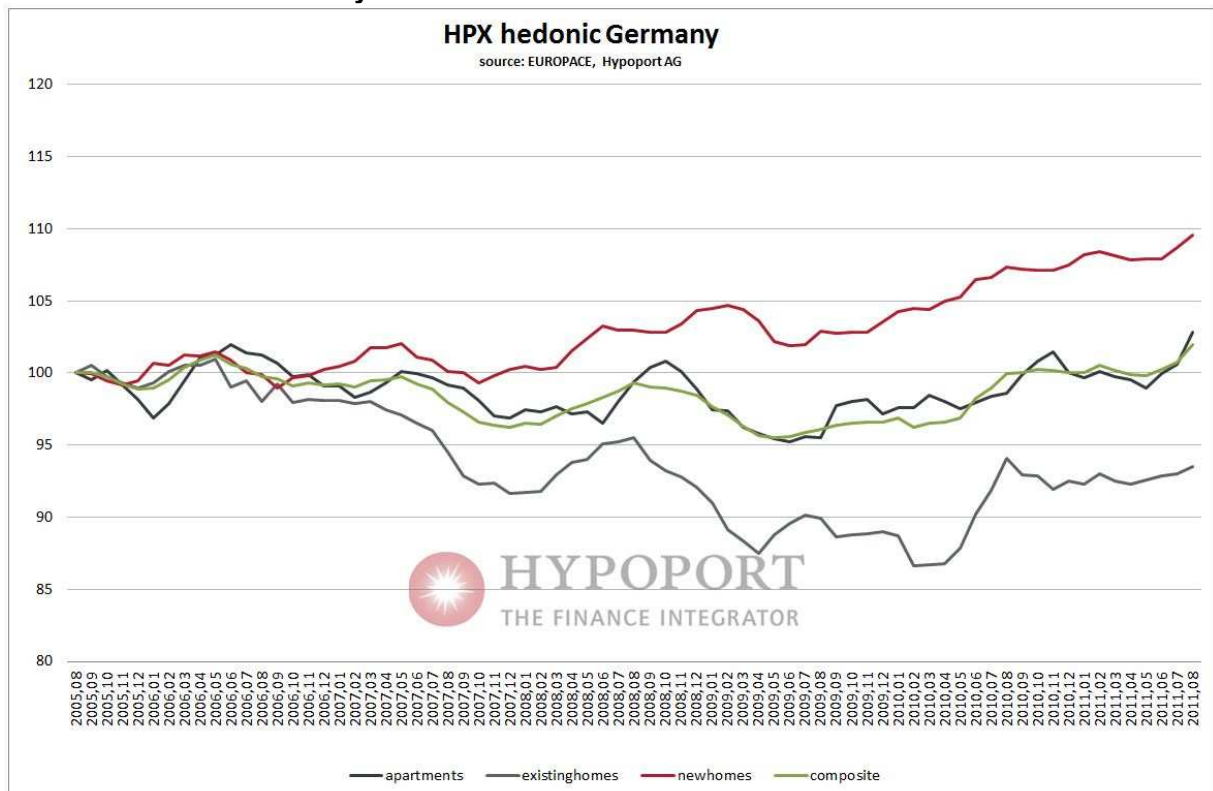
# Press release

Real estate

## Hypoport House Price Index: Highest level ever in August 2011

Berlin, 12 September 2011: All of the HPX indices posted strong gains in August: Apartments appreciated most in value, gaining 2.17 percent to 102.80 points. The index for new single-family and two-family homes climbed 0.81 percent to 109.55 points. Both sub-indices have therefore reached their highest ever levels since calculation of the HPX commenced in 2005. While the increase of 0.52 percent in the prices of existing single-family and two-family homes might seem moderate by comparison, it still represents the strongest gain in four months. Altogether, the total index has reached a new record high, closing the month at 101.95 points. As prices rise and mortgage rates remain attractive, investors and private house builders are clearly seizing the opportunity to invest in property.

The HPX indices in summary:



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**Assessment and forecast:**

The rising price of property would seem to indicate that investors are sinking their money into inflation-proof bricks and mortar, while the idea of owning their own homes is becoming increasingly attractive for private house builders. At the moment, it is not easy to predict whether seasonal influences will impact price developments as winter approaches. August proved to be yet another month of peaks and troughs as the DAX repeatedly crumbled and the international financial markets remained nervous. The fears surrounding the stability of the Euro have seldom been as enduring as they are proving to be in summer 2011. There is still no clear indication of any acceptable solution to the EU debt problems, and fears of recession are stoking the general uncertainty. Added to which, the discussion surrounding the introduction of Eurobonds to temporarily cushion the debt problems facing the Euro crisis states prompted violent public controversy: Will the crisis-ridden Euro states put too little effort into achieving their cost cutting targets if the risk is spread among strong partners?

This uncertainty is resulting in price and interest rate scenarios that are still attractive for investors and home owners: Both the rising prices and the low, albeit by no means stable, interest rates are still convincing arguments in favour of real estate acquisition.

**The HPX indices in detail:**

**Total index: strongly increasing**

Month	Index value	Month-on-month change
August 2011	101.95	+ 1.17%
July 2011	100.77	+ 0.52%
June 2011	100.25	+ 0.43%

The total HPX index posted an increase of 1.17 percent to 101.95 points (July 2011: 100.77 points). This marks the third monthly gain in succession and brings the total index to its new highest level ever recorded since the HPX index began in 2005. The last time the total index hit a record high was in May 2006, when it reached 101.22 points.

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

Month	Index value	Month-on-month change
August 2011	102.80	+ 2.17%
July 2011	100.62	+ 0.63%
June 2011	99.99	+ 1.04%

The 2.17 percent increase in prices for apartments brings the index to a new highest ever level of 102.80 points (July 2011: 100.62 points). The last record high was 101.96 points, recorded in June 2006. In addition to reaching a new highest ever level, the figure for August also represents the strongest increase ever since calculation of the HPX index commenced. Previously, the strongest increase recorded by the index had been 2.34 percent, when it climbed to 97.72 points in September 2009. August was therefore the third consecutive month to record higher prices for apartments.

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

Month	Index value	Month-on-month change
August 2011	109.55	+ 0.81%
July 2011	108.67	+ 0.73%
June 2011	107.88	0%

In August, prices for new single-family and two-family homes rose by 0.81 percent to 109.55 points (July 2011: 108.67 points). This marks the second all-time high recorded by the index in succession. The July figure already constituted the highest level ever reached since calculation of the HPX commenced.

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

Month	Index value	Month-on-month change
August 2011	93.50	+ 0.52%
July 2011	93.02	+ 0.16%
June 2011	92.87	+ 0.28%

At 93.50 points, the index for existing single-family and two-family homes gained 0.52 percent (July 2011: 93.02 points). It was the only index that did not reach a new record high in August. Its highest ever level was 100.95 points, which was recorded back in May 2006. The price increase is the fourth in succession, and the strongest since May 2011.

**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 processes about 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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**Share information**

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