

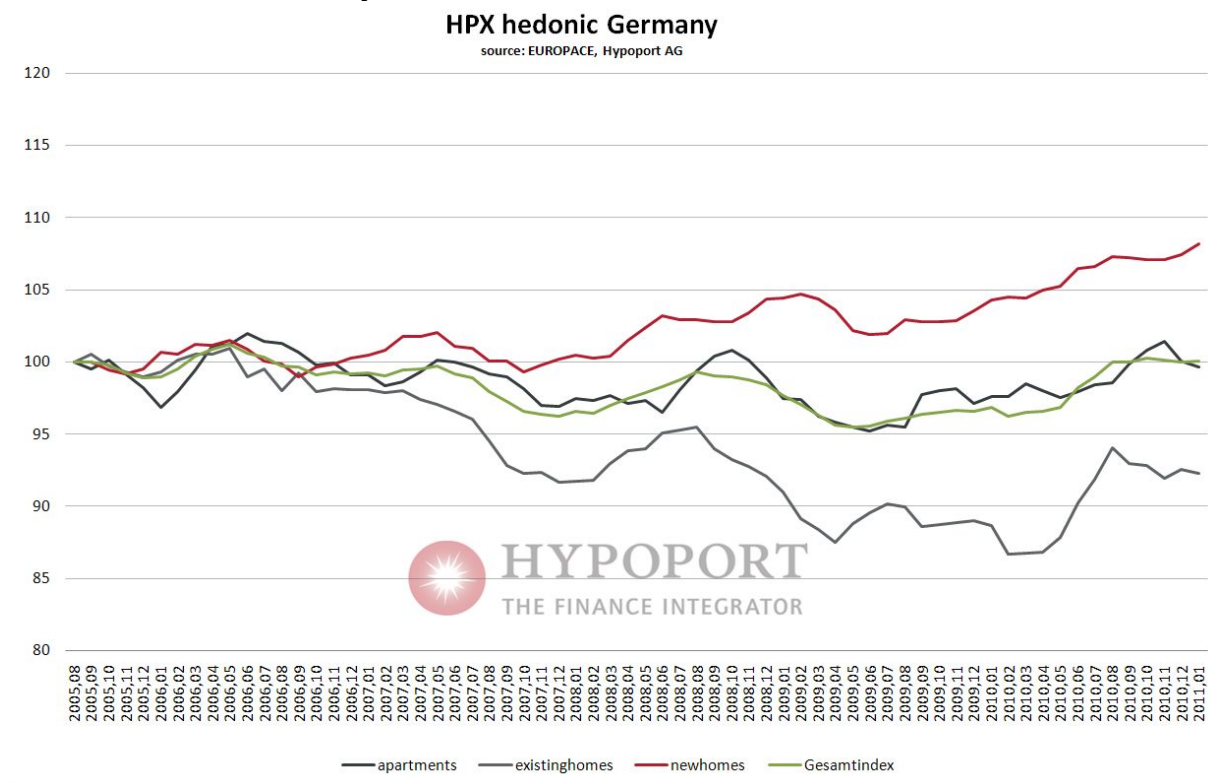
Press release

Real estate

Hypoport House Price Index: January 2011

Berlin, 14 February 2011: The total index remained virtually unchanged at the start of the new year. By contrast, the performance of the underlying individual indices varied. Prices for new homes witnessed a strong increase, whereas the indices for apartments and existing homes again weakened slightly. Improved economic prospects and a fear of inflation are stimulating the demand for real estate. On the downside, policy decisions relating to climate protection laws could put a slight damper on demand.

The HPX indices in summary:



Assessment and forecast:

January witnessed a renewed slight increase in general price levels: inflation rose by 0.2 percent to 1.9 percent in Germany. Fears that money might be worth less in the future pushed up the demand for real estate at the start of the new year. We could well see an increase in private investors actively

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engaging in property purchase transactions this year as a result. The yearning to own a home is being fed, not just by fears of inflation, but also by rising rents. Higher wages are enabling a larger circle of potential property buyers to fulfil their dream of ownership. The general upswing is therefore being accompanied by a dynamic increase in new construction, which is pushing prices up accordingly. New KfW subsidy programmes that will come into force from March 2011 onwards will, however, also encourage demand for existing homes. Leaving the KfW subsidy programmes aside, the question that will also have to be answered this year is the extent to which the issue of economically efficient climate protection can be politically resolved. These are just some of the factors that should be taken into account – apart from interest rates – when considering a real estate purchase.

The HPX indices in detail:

Total index: stable

Month	Index value	Month-on-month change
January 2011	100.03	+ 0.02%
December 2010	100.01	+ 0.15%
November 2010	100.15	+ 0.10%

The start of the new year 2011 saw the total index remaining virtually stable as it posted a slight gain of 0.02 percent to 100.03 points. The strong increase in prices for new homes was balanced out by the declines in the indices for existing homes and apartments. In October 2010, the total index reached 100.26 points, the highest level witnessed in the past four years. Since then, it has dropped 0.23 percent. By year on year comparison, however, the index is still 3.29 percent ahead.

Apartments ("apartments"): declining

Month	Index value	Month-on-month change
January 2011	99.66	+ 0.38%
December 2010	100.04	+ 1.40%
November 2010	101.46	+ 0.65%

January 2011 marked the second consecutive month in which the index for apartments weakened. Prices for apartments declined by 0.38 percent, causing the index to drop below the 100 mark in January. At 99.66 points, the index is 1.13 percent short of the level witnessed in October 2010. By year on year comparison, the current index in January 2011 is 2.13 percent ahead of the price levels witnessed in January 2010.

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

Month	Index value	Month-on-month change
January 2011	108.17	+ 0.66%
December 2010	107.46	+ 0.35%
November 2010	107.09	+ 0.02 %

Following its increase in December 2010, the index for new homes posted another gain in January 2011. The renewed increase of 0.66 percent brings the index to its current level of 108.17 points, which is nearly one percent higher than the level witnessed three months ago (October 2010: 107.11 points). The record high recorded last month was therefore topped by the renewed gain. Back in January 2010, prices for new homes were around 3.74 percent lower than the current index level.

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

Month	Index value	Month-on-month change
January 2011	92.26	+ 0.28%

December 2010	92.52	+ 0.66%
November 2010	91.91	+ 1.02 %

After posting sharp gains between May and August 2010, the index for existing homes has since been fluctuating around the level of 92 points. The strong increase in December 2010 was followed by a drop of 0.28 percent in January 2011. By quarterly comparison, the index is therefore currently 0.65 percent behind. It is 0.45 percent short of the level witnessed six months ago (July 2010: 91.85 points), but 4.04 percent ahead year on year (January 2010: 88.68 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

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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