

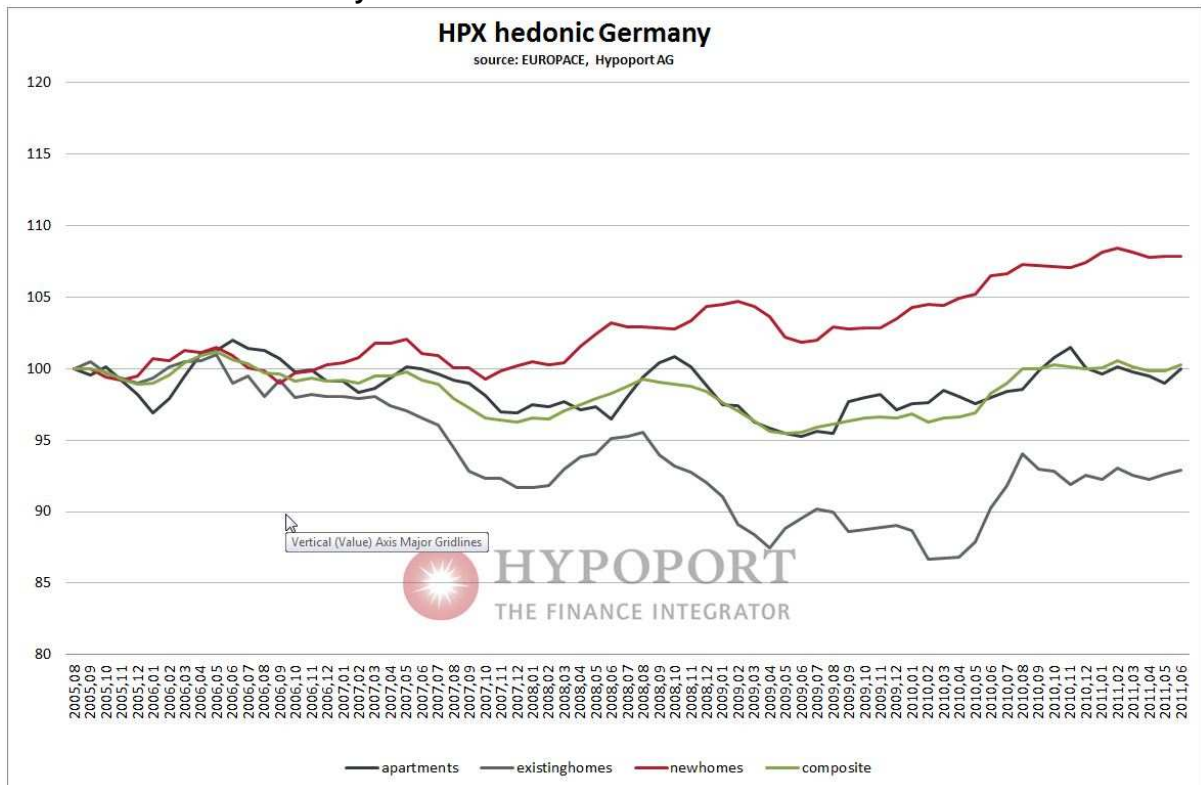
Press release

Real estate

Hypoport House Price Index: June 2011

Berlin, 12 July 2011: June marked an increase in all of the price indices with the exception of new homes, where the index remained stable: At 1.04 percent, the index for apartments posted a strong gain, whereas prices for existing single-family and two-family homes increased by 0.28 percent. By contrast, prices for new homes remained at the same level witnessed the month before. The total index has topped the 100 mark, closing the month out at 100.25 points. At the current prices and interest rates, investors and property owners are well advised to invest in real estate, especially since experts are predicting that mortgage rates will rise over the medium term.

The HPX indices in summary:



Assessment and forecast:

The European Central Bank (ECB) is having to perform a balancing act: Some eurozone countries are being downgraded by rating agencies, while others are being praised as exemplary. When Moody's

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added Portugal to its list of downgraded credit ratings in the midst of the debate surrounding financial support for Greece, both EU and German politicians called for restrictions on the influence of rating agencies. Meanwhile, Germany is boasting strong economic growth, strong domestic and foreign trade, and declining unemployment. Against this backdrop in the eurozone and in light of rising inflation, the ECB raised the base rate, as expected, by 0.25 percent to 1.5 percent in July. Expectations diverge as to whether further interest rate hikes will follow in October. The ECB is keeping all its options open.

The ECB base rate is not expected to exert any direct influence on mortgage rates. Unlike the base rate, interest rates for mortgage loans are currently taking a breather, following increases over recent months. The markets do, however, directly respond to news from Portugal and Greece, and interest rates are fluctuating. This environment is currently favourable for real estate acquisition, and can be taken advantage of by both property owners and investors.

The HPX indices in detail:

Total index: increasing

Month	Index value	Month-on-month change
June 2011	100.25	+ 0.43%
May 2011	99.82	- 0.04%
April 2011	99.86	- 0.28%

The total index posted its first increase since February and topped the starting mark of 100 points. At 100.25 in June, the index posted a month on month increase of 0.43 percent (May 2011: 99.82 points). The last time the total index topped the 100 mark was in March 2011, when it closed at 100.14 points.

Apartments ("apartments"): strongly increasing

Month	Index value	Month-on-month change
June 2011	99.99	+ 1.04%
May 2011	98.96	- 0.54%
April 2011	99.50	- 0.25%

At 99.99 points, prices for apartments posted a strong increase in June, gaining 1.04 percent by month on month comparison. This marks the first increase since February, and the index is closing in on the 100 mark. Year on year, the index is 2.08 percent ahead (June 2010: 97.95 points).

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

Month	Index value	Month-on-month change
June 2011	107.88	0%
May 2011	107.88	+ 0.06%
April 2011	107.82	- 0.31%

Prices for new single-family and two-family homes are unchanged as the index remained stable at 107.88 points by month on month comparison. The index level of 107.88 points in May constituted a slight increase of 0.06 percent over the previous month (April 2011: 107.82 points). Year on year, the index for new homes gained 1.29 percent last month (June 2010: 106.51 points).

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

Month	Index value	Month-on-month change
June 2011	92.87	+ 0.28%
May 2011	92.61	+ 0.38%
April 2011	92.26	- 0.28%

The index for existing single-family and two-family homes posted the second consecutive monthly increase to its current level of 92.87 points. Prices for existing homes gained 0.28 percent, slightly below the increase witnessed the month before (May 2011: plus 0.38 percent). Back in May, prices were 5.41 percent ahead by year on year comparison, whereas this increase had declined by June to 2.9 percent (June 2010: 90.25 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 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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