

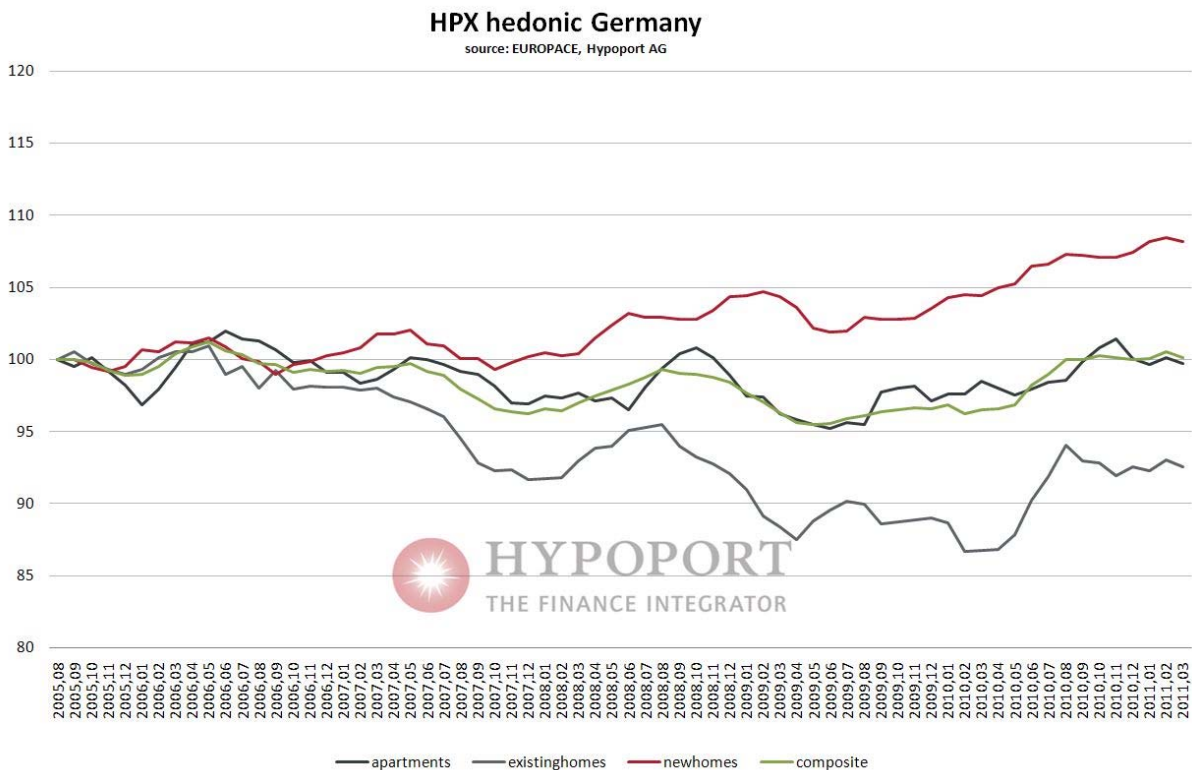
Press release

Real estate

Hypoport House Price Index: March 2011

Berlin, 14 April 2011: All indices for residential property are still well ahead by year on year comparison. Price increases did, however, weaken across the board in March. Prices for new homes fell slightly short of the record high recorded in February. The index for apartments dipped slightly below its starting level, whereas prices for existing single-family and two-family homes posted the strongest decline. It is difficult to predict the extent to which ongoing political and economic developments will influence the index over the short to medium term.

The HPX indices in summary:



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Assessment and forecast:

Japan, the moratorium and the Greens: Events in March have resulted in developments that formerly would have seemed improbable. What incentives does the trend towards enhanced ecological responsibility in policy-making harbour? How will energy supply progress in Germany? The balance of power in the political landscape has shifted. It remains to be seen how this will impact the markets. By contrast, the European Central Bank (ECB) has adopted a clear stance: It has raised the base rate by 0.25 percent to 1.25 percent in an attempt to combat growing fears of inflation. The low levels of interest rates witnessed over the past years encouraged the acquisition of real estate. Some banks will probably use the first increase in base rates since the summer of 2008 to justify raising the interest rates for mortgages again. Mortgage rates are, however, more strongly influenced by the Euribor rate than by the base rate, and the former has been increasing for months now. Accordingly, indicators such as the Dr. Klein mortgage trend indicator show that mortgage rates are rising consistently. In light of the growing uncertainty surrounding asset classes such as equities or treasury bonds, in particular, real estate does, however, still represent an attractive option for investors and is a popular form of old-age provision.

The HPX indices in detail:

Total index: declining

Month	Index value	Month-on-month change
March 2011	100.14	- 0.39 %
February 2011	100.53	+ 0.50%
January 2011	100.03	+ 0.02%

For the first time since December 2010, the total index dipped by month on month comparison (by 0.39 percent compared with February 2011) as all of the individual indices generally declined. Year on year, however, the total index is still well ahead, by 3.73 percent (March 2010: 96.54 points).

Apartments ("apartments"): declining

Month	Index value	Month-on-month change
March 2011	99.75	- 0.38 %
February 2011	100.13	+ 0.47%
January 2011	99.66	- 0.38%

Having again topped the 100 mark in February, the price trend for apartments just dropped below it in March, decreasing by 0.38 percent. Compared with last year's reference month, however, it is still posting an increase of 1.29 percent in total (March 2010: 98.48 points).

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

Month	Index value	Month-on-month change
March 2011	108.15	- 0.26 %
February 2011	108.43	+ 0.24%
January 2011	108.17	+ 0.66%

Prices for new homes dipped slightly after having increased for three consecutive months and reaching an all-time high of 108.43 points in February. The index for new single-family and two-family homes is, however, still 3.57 percent ahead by year on year comparison (March 2010: 104.42 points). This level marks the third highest value ever recorded since the calculation of the house price indices began in August 2005.

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

Month	Index value	Month-on-month change
March 2011	92.52	- 0.55 %
February 2011	93.03	+ 0.83%
January 2011	92.26	- 0.28%

March saw prices for existing homes dropping back down to the level witnessed in December of last year (December 2010: 92.52 points). Year on year, the index is 6.68 percent ahead of the level witnessed in March 2010 (86.73 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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