

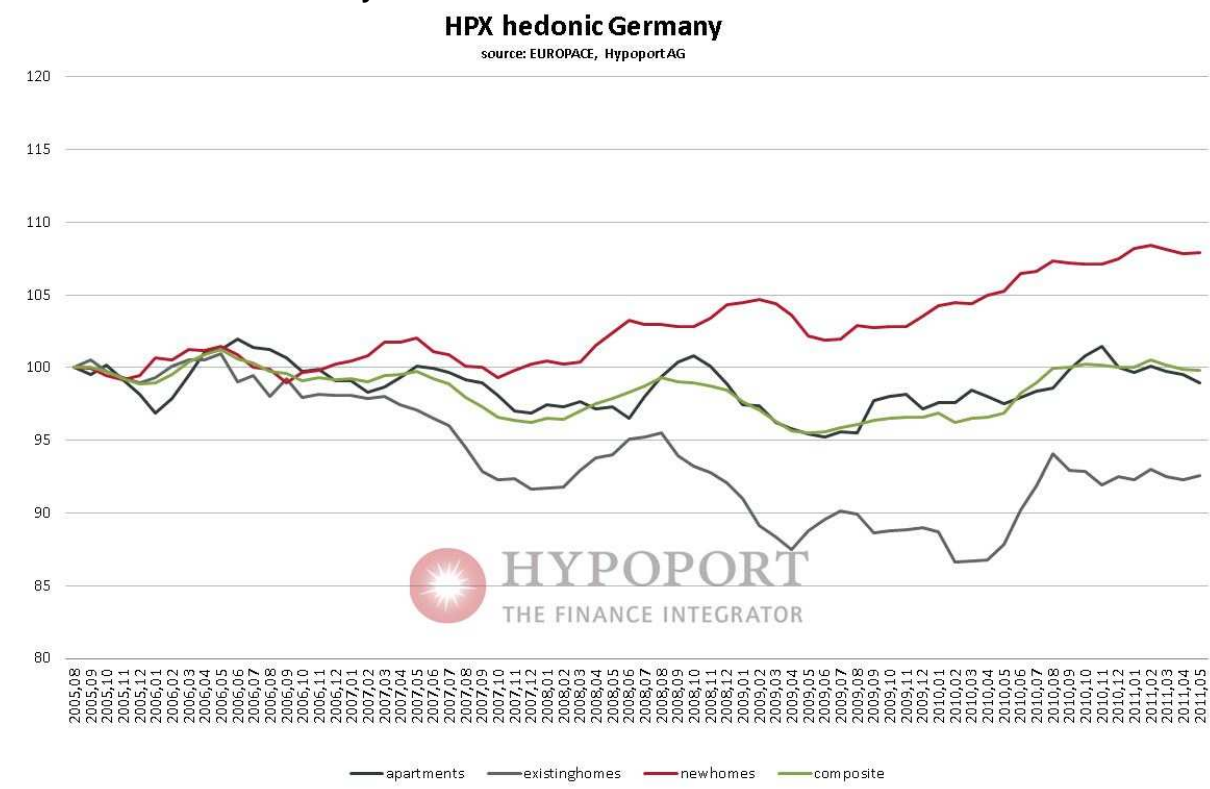
Press release

Real estate

Hypoport House Price Index: May 2011

Berlin, 14 June 2011: Prices for apartments fell in May, whereas the values of new and existing single-family and two-homes increased for the first time since February. The increase in prices for new homes was, however, comparatively moderate, at 0.06 percent. The total index stabilised just short of the 100 mark, at 99.82 points. A good signal for investors and house builders: These price levels are still favourable and should be taken advantage of for investing in real estate.

The HPX indices in summary:



Assessment and forecast:

Really quite impressive: Germany has virtually overcome the after-effects of the crisis. In light of the favourable economic environment, Kreditanstalt für Wiederaufbau (KfW) expects investments by the Germans to regain the levels witnessed before the crisis as quickly as mid-year or shortly thereafter.

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In addition to investments in existing properties, the increasing level of building activity indicates that interest in new construction projects is also growing. The resulting robust domestic demand is the main driving force behind the currently strong economic situation in Germany. Property buyers will benefit from the tax advantages approved by the government for energy-related building improvements. Investors, home owners and private house builders will be able to deduct the costs of these measures from their taxes from 2012 onwards. The markets are, however, still labouring under the uncertainty surrounding the threat of bankruptcy in Greece and the consequences this might have for the Euro. This has produced one important development in that interest rates have temporarily declined slightly.

A dip in interest rates, favourable price levels, tax incentives and the reassurance that German real estate is a secure bet compared with alternative forms of investment: All the signs for property acquisition are pointing to "invest"!

The HPX indices in detail:

Total index: stable

Month	Index value	Month-on-month change
May 2011	99.82	- 0.04%
April 2011	99.86	- 0.28%
March 2011	100.14	- 0.39%

The total index remained stable in May, posting a slight decline of 0.04 percent to 99.82 percent by month on month comparison. In doing so, it again fell just short of its starting level of 100 points. The last time it topped the 100 mark was back in March. Year on year, the total index is 3.03 percent ahead (May 2010: 96.88 points).

Apartments ("apartments"): strongly declining

Month	Index value	Month-on-month change
May 2011	98.96	- 0.54%
April 2011	99.50	- 0.25%
March 2011	99.75	- 0.38%

Prices for apartments dipped more strongly than in April: At 98.96 points, the index is 0.54 percent short of the level witnessed in April 2011 (99.50 points). The last time an even sharper decline in prices for apartments was witnessed was back in December 2010 (-1.4 percent).

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

Month	Index value	Month-on-month change
May 2011	107.88	+ 0.06%
April 2011	107.82	- 0.31%
March 2011	108.15	- 0.26%

Prices for new single-family and two-family homes posted the first increase for two months in May, albeit a very moderate 0.06 percent. The index remains stable at 107.88 points (April 2011: 107.82 points).

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

Month	Index value	Month-on-month change
May 2011	92.61	+ 0.38%
April 2011	92.26	- 0.28%
March 2011	92.52	- 0.55%

In May, prices for existing single-family and two-family homes increased for the first time since February. The month on month gain of 0.38 percent is more marked than the moderate increase in the prices of new homes. At 5.41 percent, prices are still well ahead by year on year comparison (May 2010: 87.86 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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