

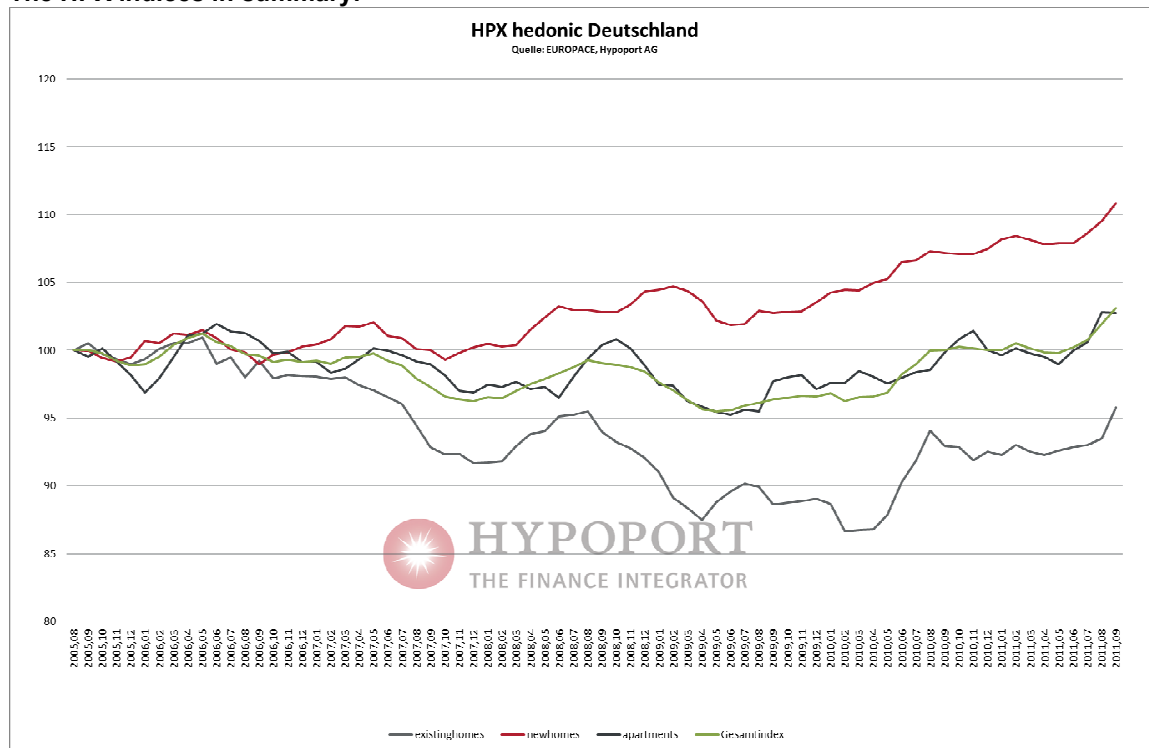
Press release

Real estate

Hypoport House Price Index: September 2011

Berlin, 12 October 2011: Prices for real estate rose again as autumn approached. The total index posted a gain of 1.16 percent, mainly as a result of price developments for existing homes. They posted an increase of 2.44 percent, indicating that there is a clear need for this segment to catch up. New homes, however, also gained strongly by month on month comparison, rising 1.22 percent. Over the previous four months, all of the indices had consistently moved upwards, whereas September marked the first month in which apartment prices dipped marginally, by 0.06 percent. Overall, the trend towards investing in property is clearly not just continuing; it is continually increasing. Ultimately, increasing demand is pushing up prices.

The HPX indices in summary:



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Assessment and forecast:

What is going to happen to our pensions, to the interest rates for mortgages, or to taxes in Germany if Europe proves unable to bring the debt crisis in its member states under control? Expert opinions diverge as strongly as the advice currently being offered by specialists and politicians. All of which is proving greatly perplexing to end customers and private investors, as demonstrated by the price developments, not just for gold, but also for property. A look at the current Hypoport House Price Index shows that demand for real estate has soared. The combination of renewed historically low interest rates and increasing property prices seems to have convinced even the most indecisive: The timing for purchasing a coveted own home is extremely attractive: The year on year increase of 3.44 percent is partly due to the fact that existing homes are undervalued. By the same token, ever more investors are fleeing to property as a safe alternative to uncertain financial products, which is pushing prices up even further. Whether some of the liquidity provided by the European Central found its way into the real estate markets and inflation would otherwise be even higher are purely matters of conjecture. Generally speaking, the market is not yet showing any signs of overheating. We should, however, keep an eye on this possibility as the real estate investment market develops over the coming months.

The HPX indices in detail:

Total index: strongly increasing

Month	Index value	Month-on-month change
September 2011	103.14	+ 1.16%
August 2011	101.95	+ 1.17%
July 2011	100.77	+ 0.52%

The total index again posted a strong increase – of 1.16 percent – in September. The new level of 103.14 marks a new all-time high (August 2011: 101.95 points). By month on month comparison, this equates to a gain of 3.13 percent. Even by quarterly comparison, the index is some 2.88 percent higher than the level posted in June 2011 (100.25 points).

Apartments ("apartments"): stable

Month	Index value	Month-on-month change
September 2011	102.74	- 0.06%
August 2011	102.80	+ 2.17%
July 2011	100.62	+ 0.63%

Apartments were the only sector to witness stable prices in September, posting a slight dip of 0.06 percent. This sideways movement followed a strong increase of 2.17 percent in August. As such, the index for apartments is only slightly short of the record high posted the month before (August 2011: 102.80 points). Compared with September last year, the index is currently 2.87 percent ahead. Equally, apartments have gained some 2.75 percent in value compared with the index level in June 2011 (99.99 points).

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

Month	Index value	Month-on-month change
September 2011	110.89	+1.22%
August 2011	109.55	+ 0.81%
July 2011	108.67	+ 0.73%

In September, prices for new single-family and two-family homes rose by 1.22 percent to 110.89 points (August 2011: 109.55 points). This marks yet another all-time high, following the record levels posted in each of the past months. The index has gained 2.79 percent (June 2011: 107.88 points) by quarterly comparison – and 3.44 percent (September 2010: 107.20 points) year on year.

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

Month	Index value	Month-on-month change
September 2011	95.78	+ 2.44%
August 2011	93.50	+ 0.52%
July 2011	93.02	+ 0.16%

The index for existing single-family and two-family homes posted the strongest gain in September, at 2.44 percent. The downward trend for existing homes, which – apart from the summer months 2008 – had been visible since the calculation of the index began, has been superseded since February 2010 by a marked upwards trend. In addition to the general dash for property that is currently ongoing, this development is quite definitely also due to the fact that numerous properties in regions such as Berlin are undervalued. By quarterly comparison, the index has gained 3.13 percent (June 2011: 92.87 points) and year on year it has increased by 3.06 percent (September 2010: 92.94 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 160 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 2 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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