

Press release

Hypo Real Estate Capital Corporation refinances Apollo/ColRich multifamily property

New York, Munich, November 8, 2006: Hypo Real Estate Capital Corporation (“HRECC”), the New York-based subsidiary of Hypo Real Estate Bank International and one of the leading financial institutions in the United States commercial real estate industry – announced that it has closed on the \$49 million, 10.5 year fixed rate refinancing of Belara Communities, LLC located in Auburn, Washington. Belara Communities, LLC is a joint venture between Apollo Real Estate Fund V and ColRich Multifamily Investments LLC. The loan closed on October 30, 2006.

Also known as Belara at Lakeland, the 430-unit luxury multifamily property completed in 2006 benefits from its convenient location midway between Seattle and Tacoma, Washington as well as the nearby town of Lakeland. In addition to its proximity to the Lakeland golf course and the sweeping vistas of the Olympic Mountains, which surround it, amenities include swimming pool, fitness center, spa, clubhouse and a 16-seat media center.

“We’re very pleased to have been selected again as the lender to the Apollo/ColRich joint venture for which we closed our first loan in May 2006. At that time, we were called on to provide financing for the JV’s acquisition of the Ione Plaza Apartments in Portland, Oregon,” said Evan F. Denner, Deputy CEO of Hypo Real Estate Capital Corporation. “We’re also always very proud when our clients return to us, as their confidence underscores the strength of our relationships and our skill and versatility in efficiently structuring and pricing loans.”

Notes to editors:

About Hypo Real Estate Capital Corporation

Hypo Real Estate Capital Corporation, a subsidiary of Hypo Real Estate Bank International, is one of the leading lenders in the United States commercial real estate marketplace. Hypo Real Estate Capital provides innovative financial solutions for a prestigious client base throughout the U.S. Over the last five years, the firm has closed more than \$22 billion of loans. Headquartered in New York, Hypo Real Estate Capital is active in all markets across the U.S.

Hypo Real Estate Group

The Hypo Real Estate Group (HREG) is one of the largest European providers of commercial real estate financing. The group consists of the non-operational listed holding company, namely Hypo Real Estate Holding AG based in Munich, and three operational entities. The Hypo Real Estate Bank International AG (Stuttgart) combines the international real estate financing activities. The centre of competence for the German market is Hypo Real Estate Bank AG based in Munich. Hypo Public Finance Bank (Dublin) combines public finance and Capital Markets activities.

About Apollo Real Estate Advisors, L.P.

Apollo Real Estate Advisors is one of the most active and prominent real estate investors in the U.S. and internationally. Apollo specializes in acquiring undermanaged and distressed properties and developing properties in major urban areas throughout the U.S. and Europe. Since Apollo's founding in 1993, the firm has overseen the investment of eight real estate funds totaling more than \$5 billion in equity. The firm's Web site is www.apollorealestate.com

Press contact:

Hypo Real Estate Group:

Oliver Grub

Phone: +49 (0) 89 203007 781

Fax: +49 (0) 89 203007 772

E-mail: oliver.gruss@hyporealestate.com