

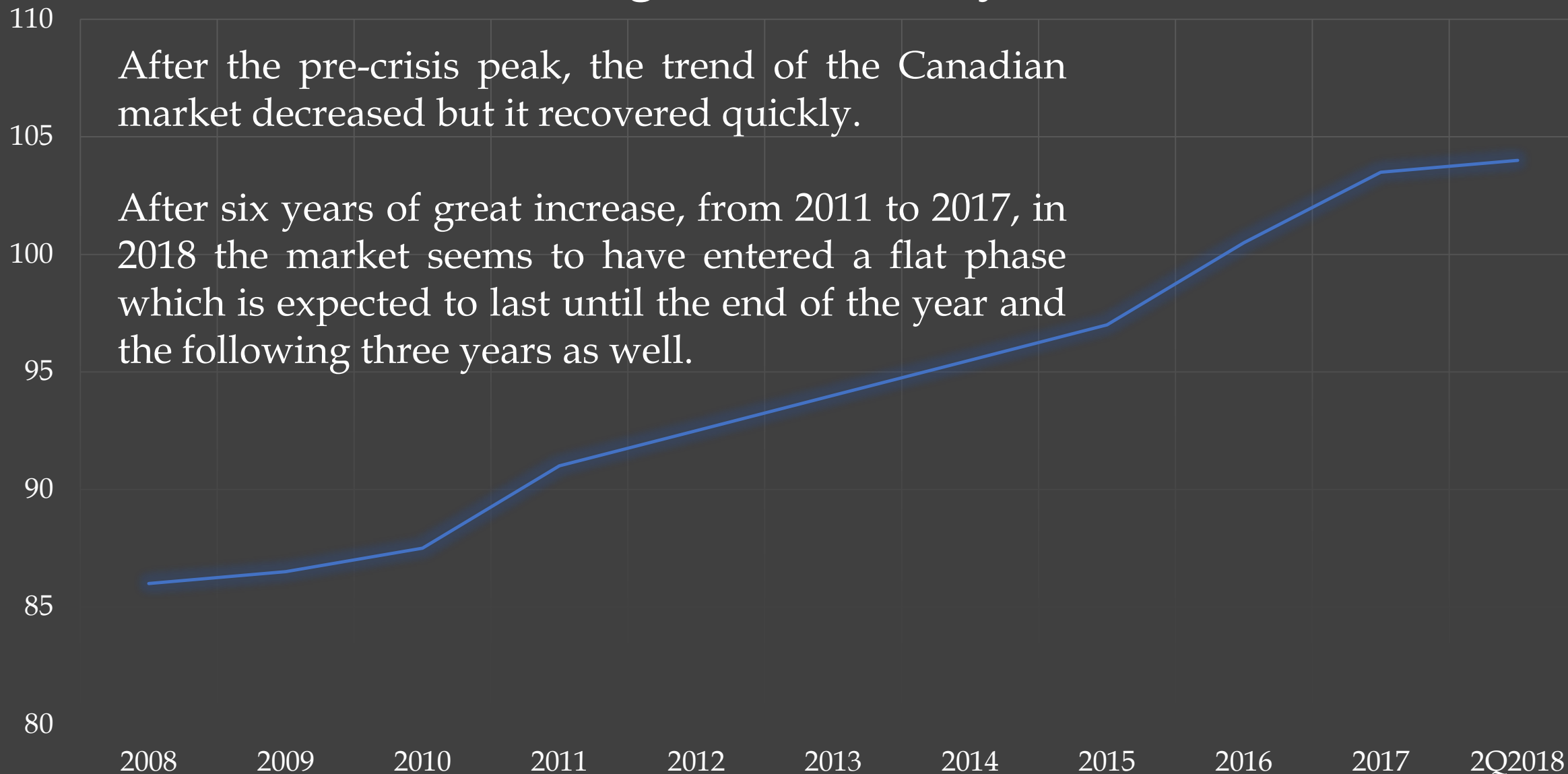
MONTREAL REAL ESTATE MARKET ANALYSIS



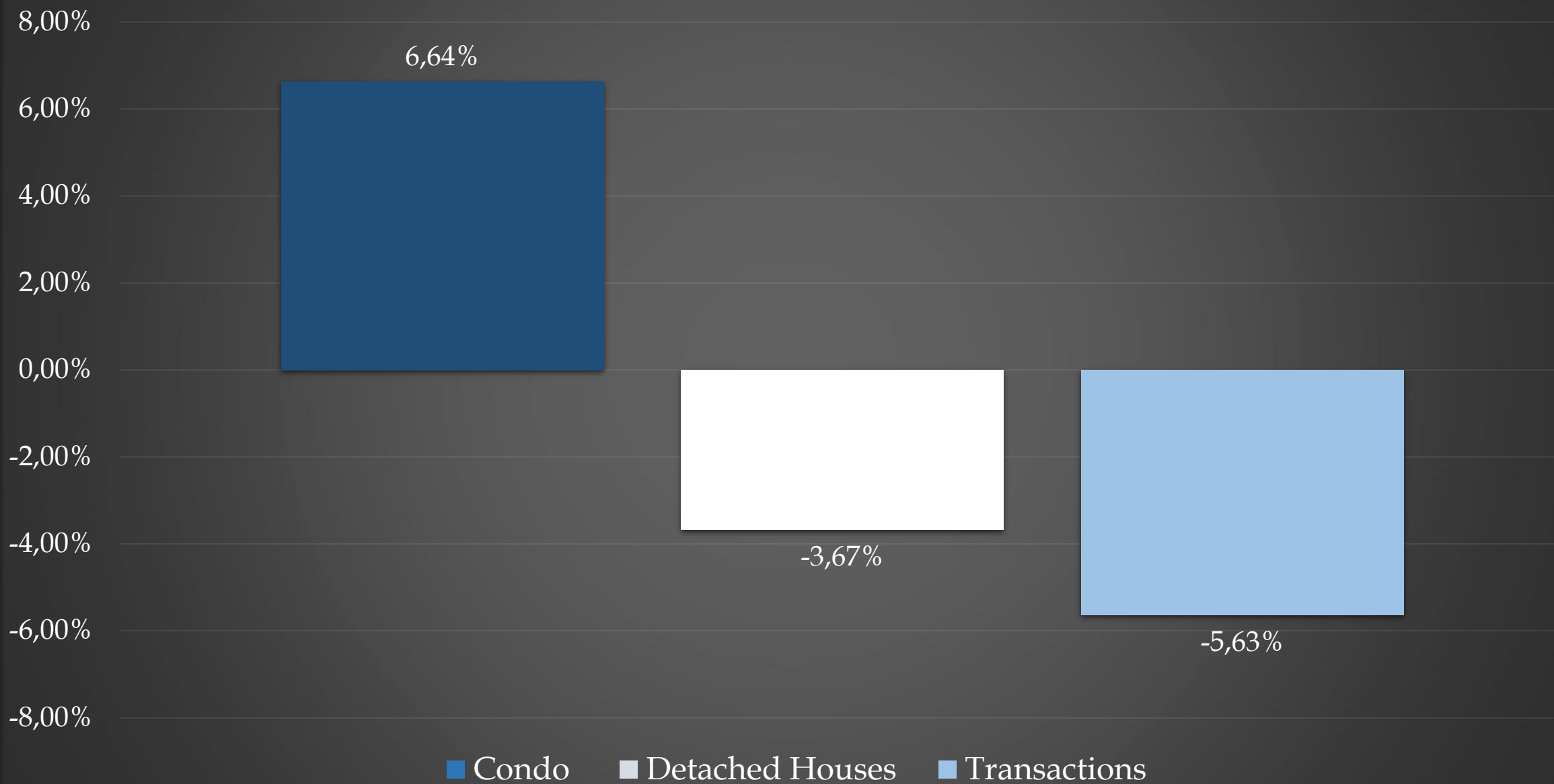
A wide-angle landscape photograph showing a valley with a vibrant turquoise lake in the foreground, surrounded by a dense forest of evergreen trees. In the background, majestic mountains with rocky peaks and patches of snow rise against a bright blue sky with scattered white clouds. A dark circular graphic with a white border is overlaid on the left side of the image, containing the word 'CANADA' in white capital letters.

CANADA

Canada Housing Price Index – year-end values



Performance y-o-y 2Q 2018 Main Cities



The second quarter of 2018 shows that the market still has great possibilities to grow, even though it is increasing little by little.

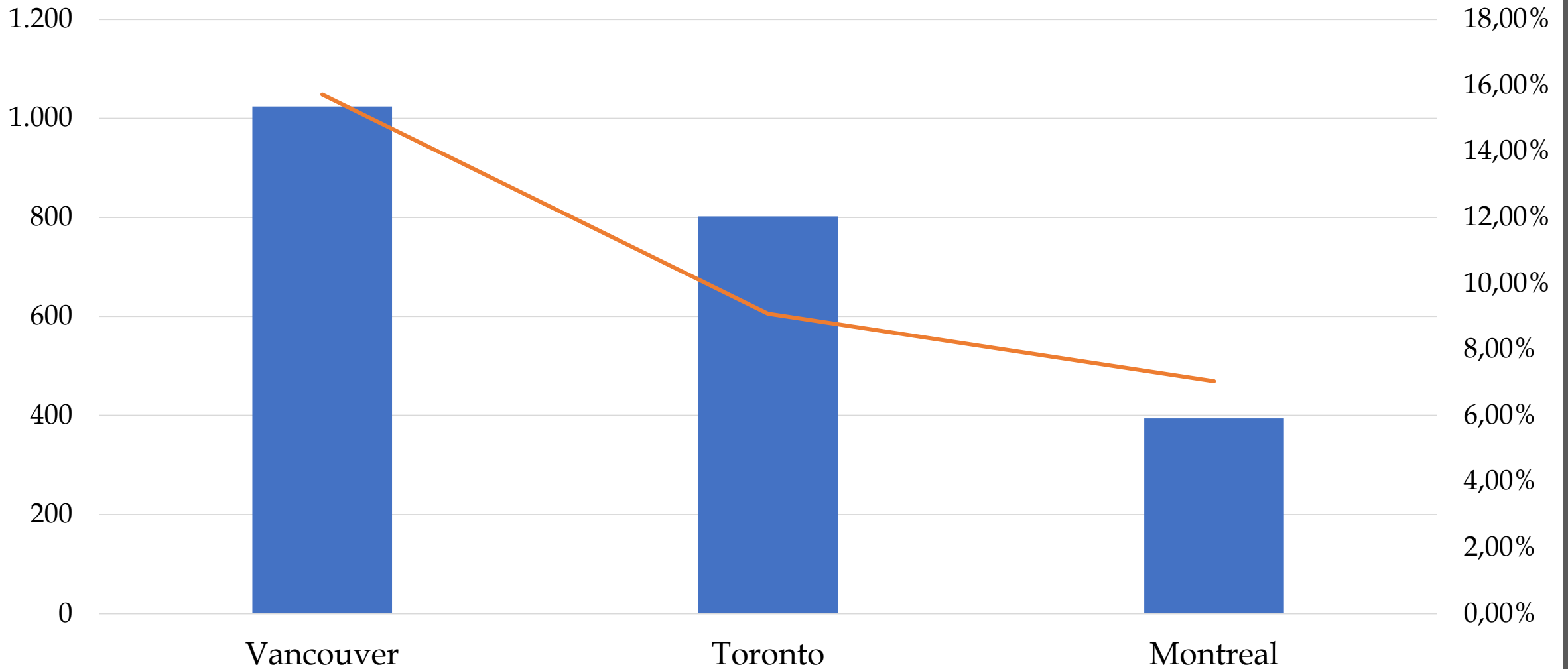
The speculative peak of the prices discourages international investors of the big cities and makes the market inaccessible for local buyers too. Because of this, we expect a slow growth until 2020, followed by a two-year improving period.

The data showing the Condo's values growth of 6.64% in 2018 may be misleading. If we take into consideration just 2018, the increase is about 1.8% and it is expected to reach the range of 2.8%-3.4% by the end of the year.

As regards both the trend and the transactions of the detached houses, a further decrease of 2% is expected.

In general, the Canadian market presents good opportunities for an investor with a speculative approach; as such, it is not recommended for a medium or long-term investment.

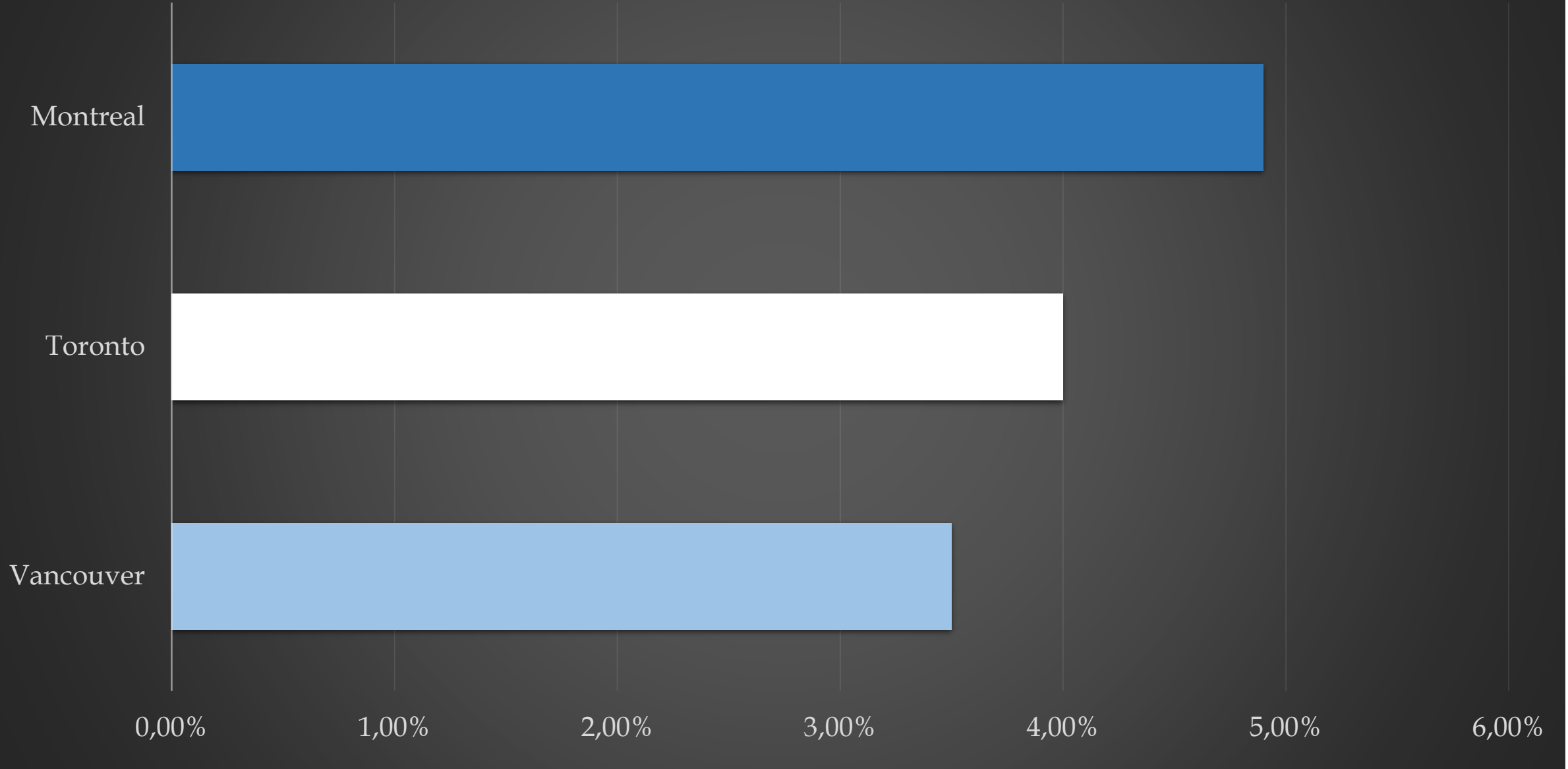
Central Areas of Canadian Cities in 2017



Price \$/Sqft Increase y-o-y

Average Cap Rate of Central Areas

WIRE Consulting Research Center

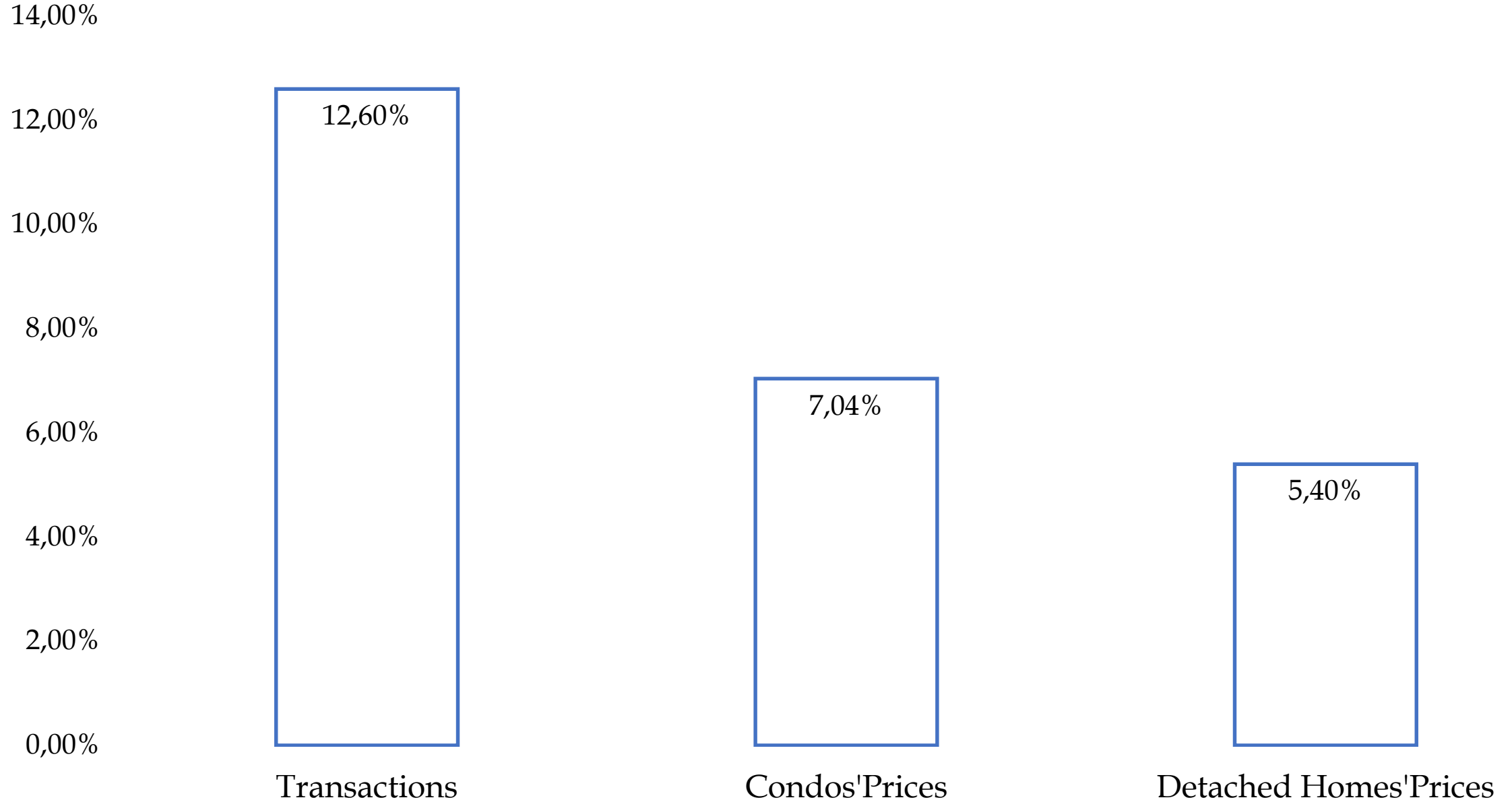


MONTREAL



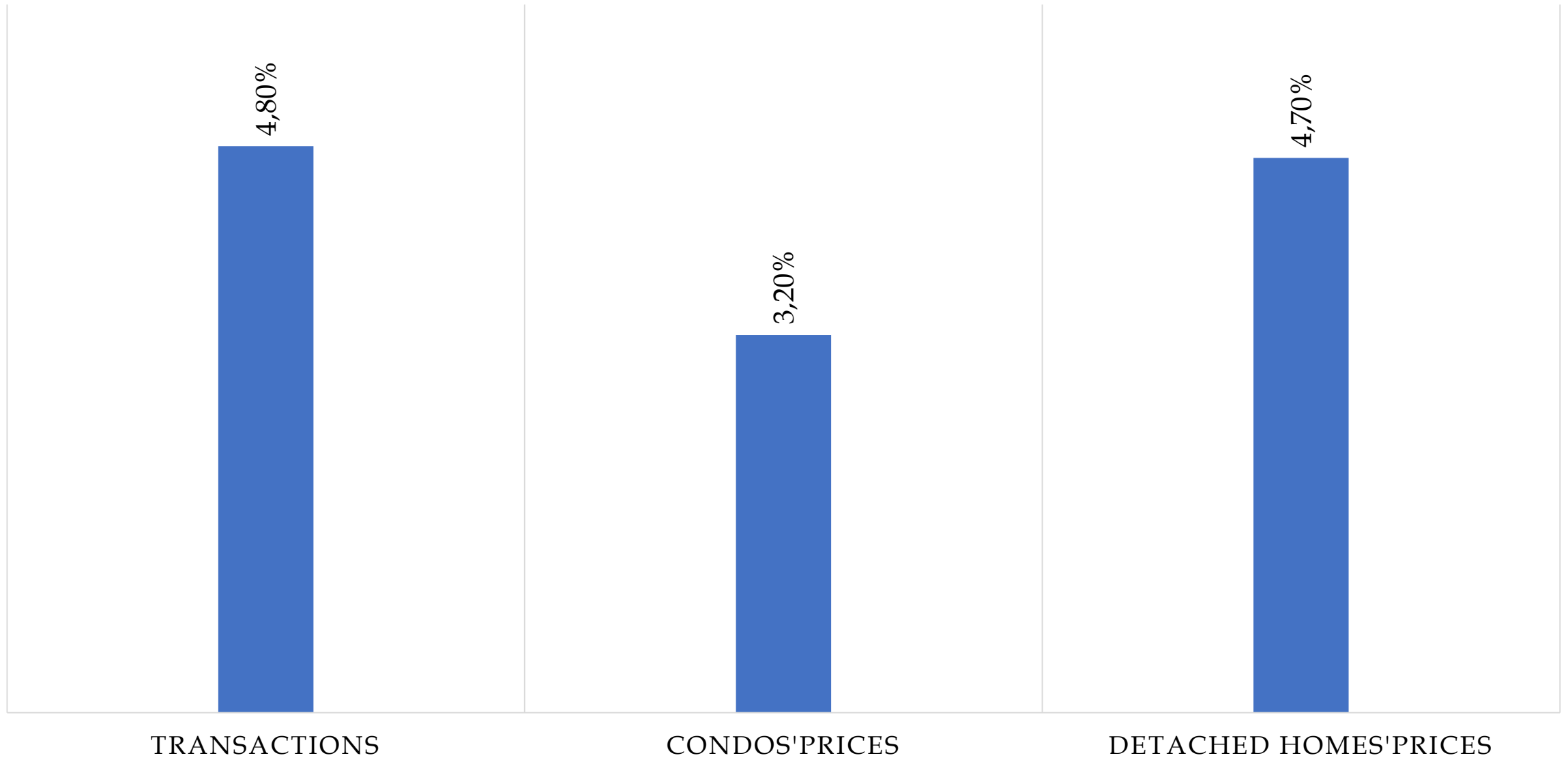
Montreal's 2017 Increments

WIRE Consulting Research Center



MONTREAL'S 2018 FORECAST

WIRE Consulting Research Center



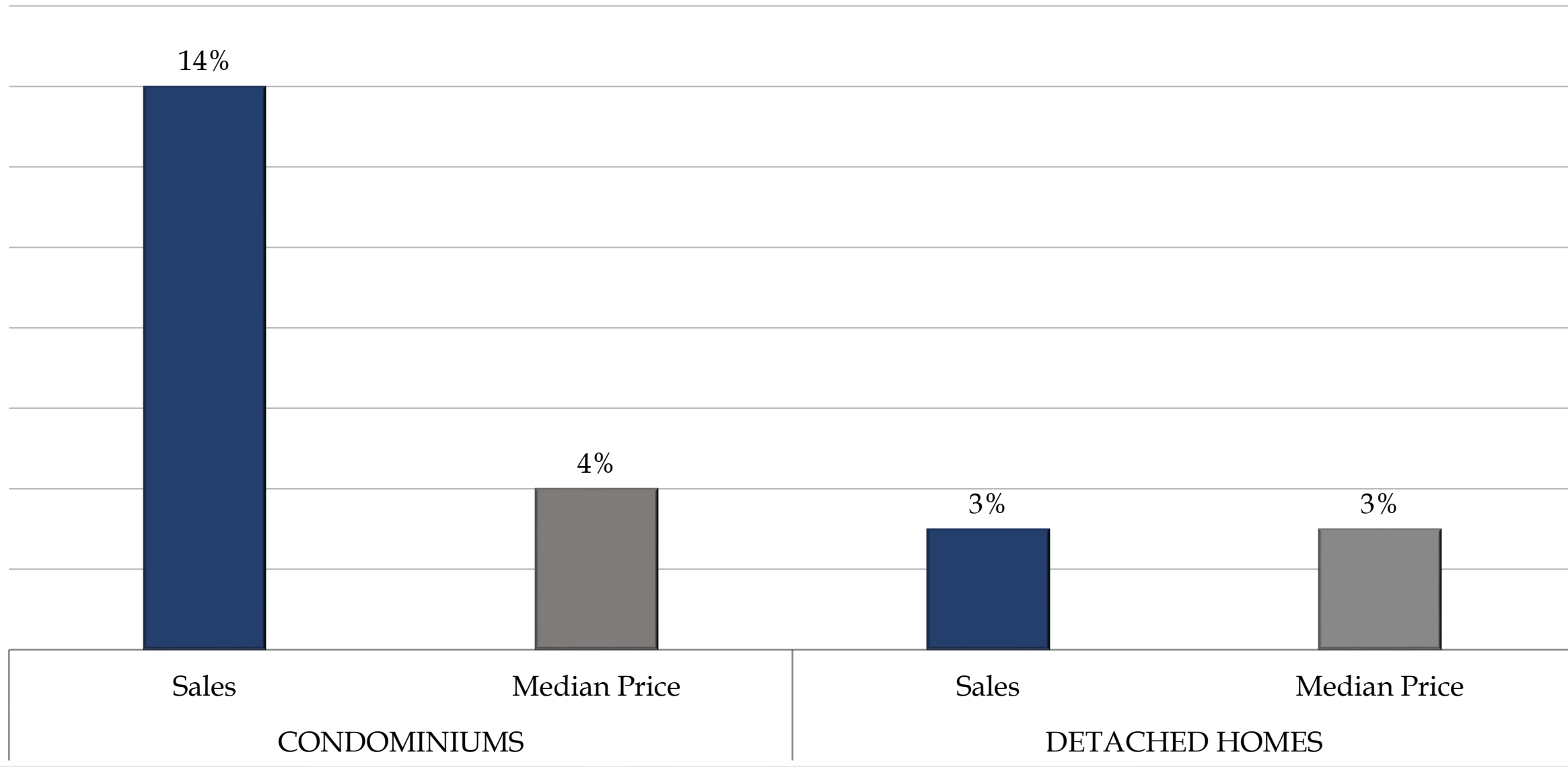
For international investors, Montreal market is definitely more attractive than other Canadian destinations; the economy is growing and the market is accessible.

Although the general Canadian market is expected to stabilize and then enter an improving phase, Montreal still has a margin of discretion which will reduce the gap with Toronto and Vancouver.

Furthermore, Montreal is interesting not only for what concerns the condos but also for the independent properties - opposite to the trend of the rest of the country.

In fact, also in this case, the demand is decreasing but since the offer is limited, prices continue to increase.

Montreal Condominiums vs Detached Homes 2017



Condos prices can vary a lot, also between bordering neighborhoods. In median terms we find peaks of 400.000\$ only in Westmount, Outremont and Mount-Royal.

It is easy to find central neighborhoods with median value below 350.000\$, whereas if we consider properties below 300.000\$ we will have to consider areas out of the center.

When analyzing every single neighborhood in Montreal, it is useful to consider median values because there are properties which are sold at very high prices. In fact, if we take into consideration a single neighborhood, the value of the properties with high prices changes a lot its average price; on the contrary the medium value does not consider the extreme cases.

More expensive district for median prices of Condo \$

