

Luxury Residential Market in selected cities

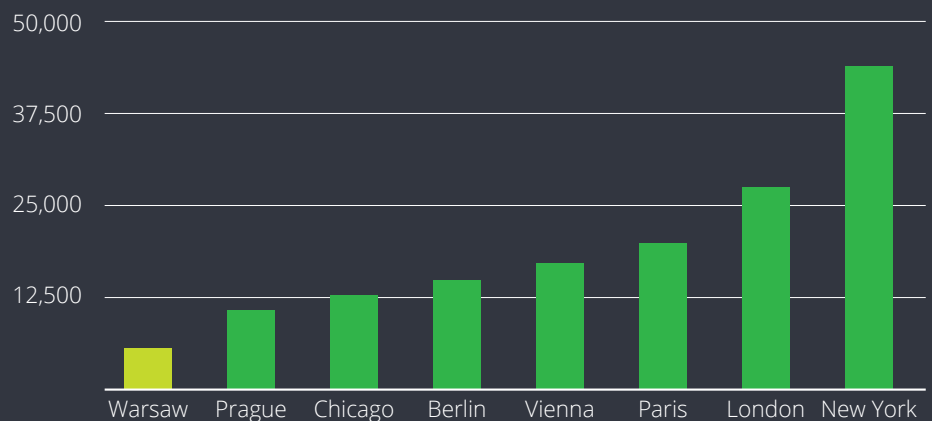
Prices of the luxury apartments in Warsaw are, as shown in the chart, at the lowest level of the selected cities analyzed. Benchmarked in this report are European capital cities such as Berlin, Prague, Vienna, Paris or London.

Combined with stable economic growth, the demand for solid investment and very positive outlook on the Polish market, the current price level shows a significant potential for increase in the future.

Warsaw:

- Luxury residential prices increased by 16% y-o-y in 2018. This means that Warsaw noted the highest increase of residential prices among the analyzed cities.
- The average sales price for luxury residential units in Warsaw ranges between EUR 5,000 and 8,500. This makes Warsaw the most affordable of all analyzed cities
- From 2016 - Warsaw noted one of the lowest fluctuation of residential prices, unlike other analyzed cities. This proves that Warsaw residential market is one of the most stable markets in Europe.

Average price of luxury apartments in selected cities (EUR psm)



London:

Luxury residential prices fell by 4.4% y-o-y in 2018; the range of average sales price for luxury residential is between EUR 25,000 and 30,000 psm.

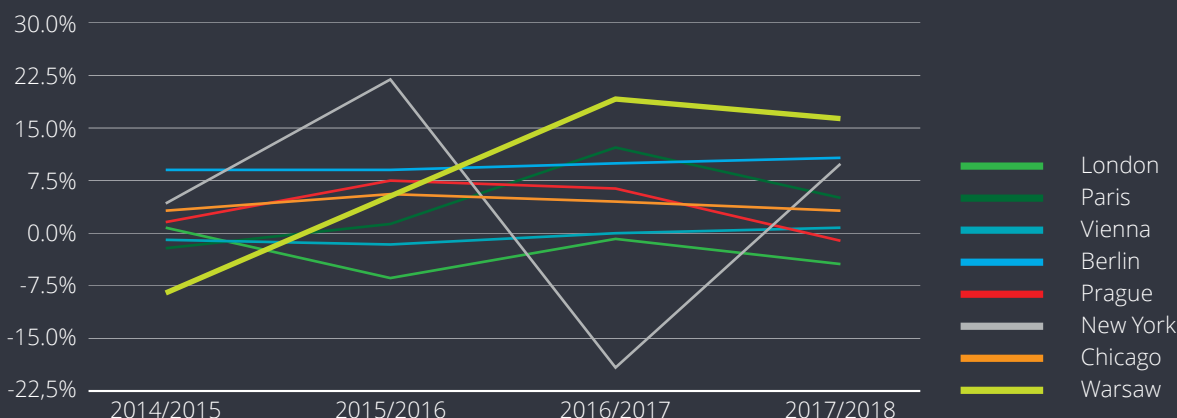
Chicago:

Luxury residential prices increased by 3.3% y-o-y in 2018; the range of average sales price for luxury residential is between EUR 9,000 and 17,000 psm.

On average, the prices in selected cities have increased from 0.8% to 16% y-o-y in 2018. The only decreases of prices was noted in Prague and London.

Warsaw luxury residential market stands out amongst other analyzed cities by affordable sales prices, high sales price growth and attractive yields.

Total y-o-y change in luxury residential prices in selected cities



Luxury Residential Market in Warsaw

Why the Warsaw luxury residential market is attractive

- Relatively low sales prices: 5,000 - 8,500 EUR standard price psm - luxury dwelling.
- Attractive Yield: 5% - 8% yield - standard expected return of investment on luxury residential market.
- Demand for Luxury Products increasing due to growing wealth of Polish society.
- Relatively Low Risk Investment: Investors consider residential market as solid, low-risk opportunity to allocate their capital.
- Limited Supply: The luxury apartments supply in Warsaw is very limited.
- Low Country Risk: Poland has stable economic growth.
- Safe Place to Live.
- Value for Money: Unique design, high-end amenities - all this is already achievable in selected locations in Poland for the lowest prices.

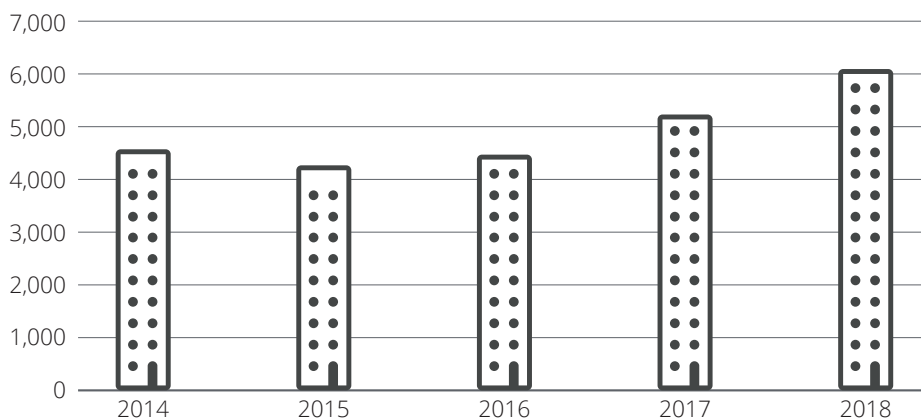
+16%

Average year-on-year change in luxury apartments prices, 2017/2018.

5,000 - 8,500 EUR standard price psm - luxury dwelling
5% - 8% yield standard expected return of investment on luxury residential market



Average price of luxury apartments in Warsaw (EUR psm)



Based on analysis of concluded transactions

Luxury residential market in Warsaw

There were approximately 485 transactions of luxury apartments noted in Warsaw since 2016, excluding the deal conducted by institutional investor Catella Wohnen, which bought 72 apartments in Złota 44 building in a single transaction in 2016.

Average sales prices rose by average 11% per year (CAGR) since 2015 and reached approx. EUR 6,050 psm in 2018.