

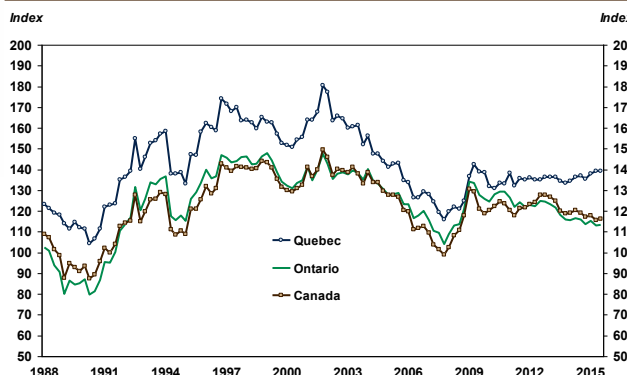
October 29, 2015

Access to ownership improves in Canada and Ontario, but stagnates in Quebec

HIGHLIGHTS

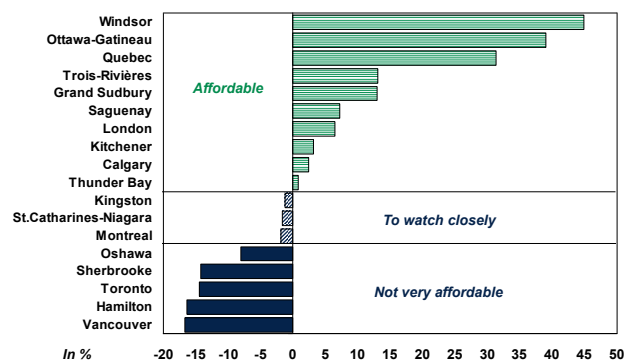
- Households' financial capacity to purchase a property improved in Canada in the third quarter of 2015, following deterioration in the previous three months. This is due to faster after-tax income growth compared to the average sales price of a home. Mortgage rates were stable after declining in the second quarter of 2015. The Desjardins Affordability Index (DAI) for Canada is still below its average for the past 25 year.
- The DAI remained unchanged in Quebec in the third quarter of 2015, as households' after-tax income growth was similar to the average property sales price's advance. The index continues to evolve slightly below its historical average.
- Access to ownership increased in Saguenay, Trois-Rivières and in Ottawa-Gatineau in the third quarter, as the average sales price for a property declined in these three agglomerations between 1.0% and 3.2%, while after-tax income increased by 1.0% to 2.0%. In Sherbrooke, the sharp 5.2% advance in the average property price compared with the previous quarter played against households' financial capacity to access ownership. This market is still the least affordable in Quebec.
- In Canada as in Quebec, average property prices in Ontario grew at a slower pace than households' after-tax income, pushing up the DAI in the third quarter of 2015. Despite this slowdown, the market is still below its average for the past 25 years. Most agglomerations in Ontario recorded a drop in their DAI over this period.
- Access to ownership improved in Vancouver for the first time in a year, since the average property sales price declined and after-tax income advanced slightly. This market however is still the least affordable in Canada, from a historic standpoint. The DAI in Calgary improved as well.

The Desjardins Affordability Index rises in Canada and Ontario in Q3 2015



Source: Desjardins, Economic Studies

Gap between the DAI* and its historical average



* Desjardins Affordability Index
Source: Desjardins, Economic Studies

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Economist

The Desjardins Affordability Index is calculated by determining the ratio between the average household disposable income and the income needed to obtain a mortgage on an average-priced home (qualifying income). Qualifying income is calculated based on the cost of owning a home (mortgage payments, property taxes and utility costs). An information document on the DAI is available on our Web site:

www.desjardins.com/ressources/pdf/docinfoa.pdf

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NOTE TO READERS: The letters k, M and B are used in texts and tables to refer to thousands, millions and billions respectively.

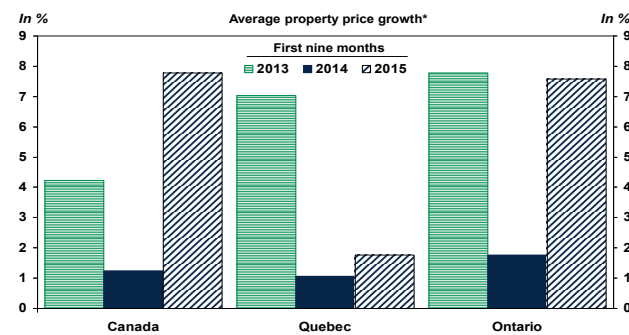
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Desjardins Affordability Index

| | Change | Level gap | 2015 Q3 | 2015 Q2 | High | Low | Average |
|---------------------------|--------|-----------|---------|---------|-------|-------|---------|
| CANADA | ↑ | 0.5 | 116.1 | 115.7 | 149.6 | 87.3 | 122.5 |
| QUEBEC | ↑ | 0.1 | 139.2 | 139.2 | 180.5 | 104.5 | 142.6 |
| ONTARIO | ↑ | 0.3 | 113.2 | 112.9 | 147.9 | 79.6 | 124.1 |
| Metropolitan Areas | | | | | | | |
| Saguenay | ↑ | 6.1 | 206.3 | 200.2 | 239.5 | 149.1 | 192.4 |
| Quebec | ↓ | -0.3 | 155.4 | 155.6 | 213.7 | 123.3 | 165.4 |
| Sherbrooke | ↓ | -3.6 | 140.3 | 143.8 | 223.8 | 117.1 | 163.4 |
| Trois-Rivières | ↑ | 6.4 | 204.1 | 197.7 | 222.5 | 126.0 | 180.4 |
| Montreal | ↓ | -0.2 | 127.1 | 127.3 | 169.2 | 92.9 | 129.5 |
| Ottawa-Gatineau | ↑ | 1.7 | 151.0 | 149.3 | 184.2 | 101.2 | 148.3 |
| Kingston | ↓ | -2.1 | 134.3 | 136.4 | 163.3 | 90.5 | 136.0 |
| Oshawa | ↓ | -1.3 | 126.8 | 128.1 | 165.7 | 77.6 | 137.9 |
| Toronto | ↓ | -0.7 | 96.1 | 96.8 | 137.5 | 66.5 | 112.3 |
| Hamilton | ↓ | -2.8 | 108.3 | 111.1 | 156.6 | 78.8 | 129.5 |
| Kitchener | ↑ | 0.9 | 144.4 | 143.5 | 169.4 | 83.4 | 139.9 |
| Windsor | ↓ | -1.5 | 191.2 | 192.7 | 201.3 | 107.0 | 171.0 |
| London | ↑ | 1.2 | 150.6 | 149.4 | 168.9 | 89.3 | 141.4 |
| St.Catharines-Niagara | ↑ | 3.4 | 132.6 | 129.2 | 162.6 | 85.7 | 134.8 |
| Thunder Bay | ↓ | -2.5 | 175.8 | 178.4 | 212.2 | 115.5 | 174.4 |
| Grand Sudbury | ↓ | -3.3 | 184.9 | 188.2 | 206.6 | 108.8 | 163.6 |
| CALGARY | ↑ | 0.7 | 166.5 | 165.8 | 203.8 | 108.7 | 162.6 |
| VANCOUVER | ↑ | 1.8 | 67.3 | 65.5 | 107.6 | 60.5 | 80.9 |

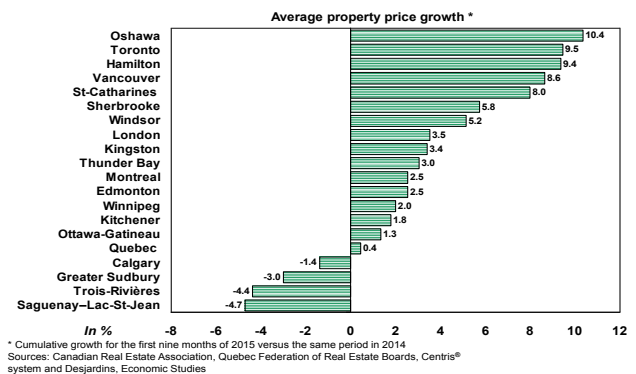
Source: Desjardins, Economic Studies

Growth accelerated in Canada, Quebec and Ontario



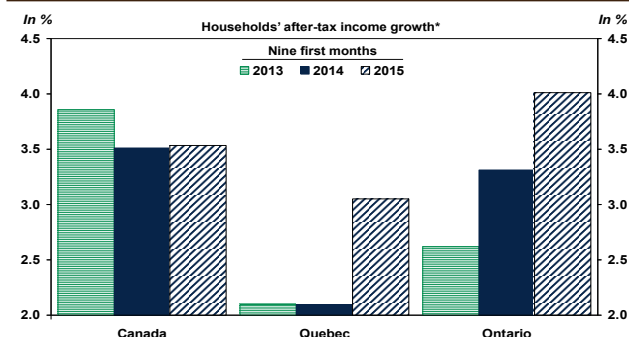
* Cumulative growth for the first nine months of 2015 versus the same period in 2014.
Sources: Canadian Real Estate Association, Quebec Federation of Real Estate Boards, Centris® system and Desjardins, Economic Studies

Average property sales prices have increased in most markets since the beginning of the year



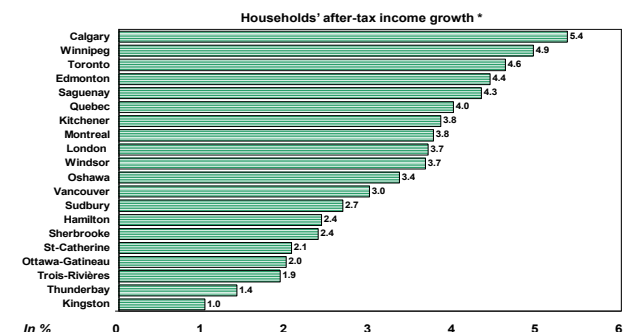
* Cumulative growth for the first nine months of 2015 versus the same period in 2014.
Sources: Canadian Real Estate Association, Quebec Federation of Real Estate Boards, Centris® system and Desjardins, Economic Studies

After-tax income advanced in Canada, Quebec and Ontario in the first three quarters of 2015



* Cumulative growth for the first nine months of 2015 versus the same period in 2014.
Sources: Statistics Canada and Desjardins, Economic Studies

All markets posted after-tax income growth



* Cumulative growth for the first nine months of 2015 versus the same period in 2014.
Sources: Statistics Canada and Desjardins, Economic Studies