

Demographics Set to Drive Condo Markets in Montreal and Quebec

Genworth Report: Demand from baby boomers
to support growth through 2011

MONTREAL (September 12, 2007) – Growing numbers of Montrealers and Quebec City residents over age 55 will drive continued demand and rising prices for condos as baby boomers downsize their homes, according to new data released today by Genworth Financial Canada, a subsidiary of Genworth Financial, Inc. (NYSE:GNW).

Genworth's *Summer 2007 Metropolitan Condominium Outlook* reports that Montreal's average resale condo price will rise from \$179,358 in 2007 to \$205,351 by 2011, while in Quebec City resale condo prices are expected to climb from \$132,470 in 2007 to \$148,131 in 2011.

"In Quebec's two largest cities the aging populations have increased substantially over the past 20 years. The 55+ segment now makes up close to a quarter of the population in Montreal, and a full 27 per cent of Quebec City's population," said Peter Vukanovich, president Genworth Financial Canada. "Growing demand from this significant condo demographic will keep price growth steady as these boomers move into a new life stage."

Census figures released in July by Statistics Canada show the number of Canadians aged 55 to 64, many of whom are approaching retirement, is at a record high of 3.7 million.

Developers are responding to the changing housing demands of this boomer generation. Condominium starts are expected to slow in 2007 and continue to fall to a lesser extent through 2011 in both Montreal and Quebec City, however, as builders seek to clear inventories before embarking on new construction.

“Although it has not yet impacted the buyer profile significantly, there’s no question that we are seeing an increased interest in our condominiums from the baby boomer generation as they seek to downsize or relocate to the downtown area. We are convinced that in the coming years it will become a more important segment for our market,” said Jonathan Sigler, Co-President of Groupe Prével, a leading Montreal condo builder.

The *Summer 2007 Metropolitan Condominium Outlook* reviewed resale condo markets in Quebec City, Montreal, Ottawa, Toronto, Calgary, Edmonton, Vancouver and Victoria. All eight markets registered price growth in 2006 and are forecast to continue to grow this year and through 2011.

Average Resale Condo Price by City: Forecast

City	2007 Forecast Percentage Increase	2008 Forecast Percentage Increase	2009 Forecast Percentage Increase	2010 Forecast Percentage Increase	2011 Forecast Percentage Increase
Quebec City	\$132,470 6.5	\$135,218 2.1	\$139,210 3.0	\$143,645 3.2	\$148,131 3.1
Montreal	\$179,358 5.2	\$184,875 3.1	\$191,316 3.5	\$198,250 3.6	\$205,351 3.6
Ottawa	\$185,272 5.6	\$189,616 2.3	\$196,100 3.4	\$202,378 3.2	\$208,926 3.2
Toronto	\$222,893 4.4	\$229,205 2.8	\$236,270 3.1	\$244,973 3.7	\$254,049 3.7
Calgary	\$270,169 19.8	\$293,335 8.6	\$306,722 4.6	\$315,684 2.9	\$322,838 2.3
Edmonton	\$224,621 36.4	\$234,878 4.6	\$248,795 5.9	\$257,958 3.7	\$263,586 2.2
Vancouver	\$314,471 7.2	\$327,163 4.0	\$341,116 4.3	\$352,800 3.4	\$365,491 3.6
Victoria	\$264,471 6.3	\$273,908 3.6	\$285,071 4.1	\$293,790 3.1	\$302,603 3.0

Sources: The Conference Board of Canada; Canada Mortgage and Housing Corporation; Canadian Real Estate Association.

The Genworth report also noted that condos are becoming a more attractive option for first-time homebuyers, given the rising price of new detached homes in Canada. As reported by Genworth's *Summer 2007 Metropolitan Housing Outlook*, new homes are forecast to average \$378,000 in Canada this year, a six per cent annual increase.

"We work with our lender partners and mortgage professionals to provide low-down payment mortgages for these first-time buyers," said Vukanovich. "The affordable monthly payments allow them to become homeowners and start building equity sooner."

The full *Summer 2007 Metropolitan Condominium Outlook* is available at www.genworth.ca.

About Genworth Financial Canada:

Genworth Financial Canada, The Homeownership Company, works with lenders, mortgage brokers, real estate agents and builders to make homeownership more affordable and accessible throughout Canada. The company combines global experience in mortgage insurance with technological and service leadership to deliver innovation to the mortgage marketplace.

Genworth Financial Canada issues reports on Canada's housing market in spring, summer and fall; and on Canada's condo market in winter and summer; all in conjunction with the Conference Board of Canada. Our intention is to educate and provide useful information to Canadian consumers, homeowners, future first-time homebuyers and governments. We believe homeowners and homebuyers require up-to-date information about Canada's housing market to make informed decisions about homeownership, for many the most important investment of their lifetime. Genworth Financial Canada also listens to homebuyers about their challenges and concerns, to make us better informed about how we can offer products that help Canadians realize the dream of homeownership.

Additional information about Genworth Financial Canada is available at www.genworth.ca or through mortgage lenders.



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