

Steady Growth Forecast for Calgary and Edmonton Condo Markets

Genworth Report: Booming economies and demand from baby boomers will support modest growth through 2011

CALGARY (September 12, 2007) –Demand from baby boomers over age 55 – many downsizing from “empty nest” homes – will support long-term growth in condo markets in Calgary and Edmonton, 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* forecasts the sizzling condominium markets in Calgary and Edmonton to post average annual price increases of about 4.6 and 4.1 per cent, respectively, from 2008 to 2011, as increased condo supply helps resale markets return to a more balanced state. By 2011, Calgary’s average resale condo price will reach \$322,838, while the Edmonton average will reach \$263,856 in the same period.

Last year, with demand exceeding supply, condo starts jumped 52 per cent in Calgary and 11 per cent in Edmonton, while prices for resale condos rose 47.9 percent in Calgary and 25.8 percent in Edmonton. Robust economies in both cities continue to drive condo sales in the short term, with more moderate growth expected beyond 2008.

“While these cities have younger populations than others in Canada, their boomer populations have grown rapidly over the past 10 years,” said Peter Vukanovich, president Genworth Financial Canada. “In Edmonton, the over 55 segment makes up nearly 21 percent of the population, and it’s 18.3 percent in Calgary. Boomer population growth will continue to drive long-term demand for condos, reassuring homebuyers who might have worried about a future condo downturn.”

Census figures release 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.

As the markets in Alberta's two largest cities return to a more balanced state, developers will continue to respond to the changing housing demands of baby boomers.

"We've recently experienced a 'boom' in our housing and condo market, but strategically speaking we, in the longer term, look to support the lifestyle choices that boomers will increasingly be making in the Alberta marketplace," said Greg Christenson, president of Christenson Developments Ltd. "Empty nesters who are downsizing are increasingly finding the condo lifestyle attractive."

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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