

Toronto, Ottawa Condo Markets Grow With Boomers

Genworth Report: Condo starts have risen in lockstep with buyers over 55

TORONTO (September 12, 2007) – Demand from baby boomers over age 55, many downsizing from “empty nest” homes, will support long-term growth in Toronto and Ottawa condominium markets, 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* report forecasts local condominium resale prices in Toronto and Ottawa to post average annual increases of about 3.3 per cent and 3 per cent respectively from 2008 to 2011. By 2011, the average resale condo price is forecast to be \$254,049 in Toronto and \$208,926 in Ottawa.

“Both new construction and resale activity consistently demonstrate that the Toronto and Ottawa condo markets are healthy. Beyond the affordability factor, the baby boomer demographic is increasingly driving demand in these markets” said Peter Vukanovich, president Genworth Financial Canada. “In Toronto and Ottawa, price growth will remain steady through 2011, in line with the increasing over 55 population share. That will benefit all homebuyers who might otherwise have worried about potential market declines.”

The over 55 populations of Toronto and Ottawa have grown rapidly – from 19 per cent in both cities in 1996, to 21 per cent and 22.5 per cent respectively, in 2006. Outside affordability factors, this trend will help maintain long-term condo demand, as boomers look to downsize their homes.

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

“Condos have traditionally been the entry point for first-time homebuyers and we continue to see that in major urban centres. But we’re also seeing a clear trend among baby boomers who are looking for convenience, security and the ability to enjoy their retirement living in a condo where they can walk to restaurants and

shopping, transit, and enjoy a new lifestyle,” said Bob Finnigan, President of the Building Industry and Land Development Association (BILD).

“We are witnessing the aging population downsize their lifestyles. Boomers enjoy the security, maintenance and simplicity that condominiums provide. In the long term, we will continue to look at the baby boomer market, as there is little doubt that they will continue to play a role in supporting condo demands,” said developer Chris Sherriff-Scott, Senior Vice President of MintoUrban Communities Inc.

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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