

GENWORTH FINANCIAL CANADA REPORT SHOWS ALBERTA HOUSING MARKET STILL BOOMING BUT RELIEF FOR HOMEBUYERS IS IN STORE

Forecast in latest report shows opportunities for buyers

TORONTO, June 21, 2007 – Alberta homebuyers will get some long-awaited relief from the most extreme housing price increases in Canada last year, according to a report issued today by Genworth Financial Canada, The Homeownership Company, a subsidiary of Genworth Financial, Inc. (NYSE:GNW).

The Summer 2007 Metropolitan Housing Outlook reveals that slightly lower demand and an Alberta economy coming off record growth in 2006 will reduce the rate of price increases in Alberta.

Still the fastest-growing new home market in Canada, Alberta in 2007 will experience 18.4 per cent growth in new home prices, to an average price of \$449,420. Resale homes are forecast to increase 18.3 per cent this year to an average price of \$338,559. Those increases are a significant reduction in the rate of price growth compared to last year, when Albertans saw a 36.9 per cent increase in new home prices and a 30.9 per cent hike in resale home prices.

Forecasting out, Alberta new home prices are expected to increase more moderately at about 5 per cent in 2008, then about 3.9 per cent annually through 2011, while resale homes are expected to climb in price by 9 per cent in '08, 6.2 per cent in '09 and then an average of 4.5 per cent annually through 2011.

The Genworth study, conducted in partnership with the Conference Board of Canada, is based on data from a number of sources, including the Bank of Canada, the Canadian Real Estate Association and Statistics Canada.

“Alberta’s booming economy has really fuelled extraordinary price increases, meaning that affordability has been stretched for many prospective buyers, but now we’re seeing what looks like more manageable growth over the next half-decade in what is still a great housing market,” said Peter Vukanovich, president of Genworth Financial Canada.

Calgary at a glance

In Calgary, new home price increases are expected to average 16.3 per cent in 2007 to an average \$505,571, edging up close to the average price of a new home in Toronto this year pegged at \$518,401. In 2006, Calgary new home prices skyrocketed 43.6 per cent over the previous year. Calgary new home prices are then forecast to climb 5.5 per cent in 2008, before settling in at about 4 per cent annual growth through 2011.

Growth in Calgary resale home prices is forecast to be 18.5% per cent this year, down from a stunning 38.6 per cent hike 2006. Calgary resale home prices are expected to rise 7.3 per cent annually on average through 2011.

Edmonton at a glance

Edmonton has also been a price juggernaut, with rapid new home price growth easing only slightly this year to 21.6 per cent, down from 28.9 per cent last year. The average new home in Edmonton will reach \$388,694 this year. New home prices increases will moderate by 5 per cent in 2008, then grow by about 4 per cent annually through 2011.

Edmonton's resale market is also robust, with 24.2 per cent price growth this year, down from an amazing 30 per cent average price increase in 2006. The average Edmonton resale home will cost \$311,992 this year. Resale homes in Edmonton will increase 6.9 per cent in 2008, 5.4 per cent in 2009 and about 4.5 per cent in 2010 and 2011.

Canada at a glance

With pent up demand easing, price increases for new and resale home prices are moderating. National home price averages are forecast to reach \$378,161 (new) and \$293,475 (resale) in 2007.

City	Average price of a new home (2006)	Average price in 2007 (forecast)	Average price in 2008 (forecast)
Montreal	\$270,081	\$279,607	\$288,254
Quebec City	\$183,878	\$188,277	\$193,864
Toronto	\$504,949	\$518,401	\$535,161
Ottawa-Gatineau	\$343,104	\$355,171	\$367,217
Calgary	\$434,763	\$505,571	\$533,352
Edmonton	\$319,637	\$388,694	\$408,126
Vancouver	\$629,595	\$673,706	\$708,759
Victoria	\$465,256	\$470,717	\$489,290

Sources: The Conference Board of Canada; Canadian Real Estate Association; Statistics Canada.

Genworth Financial Canada's homebuyer data shows there is strong demand for longer-term amortizations and low-down payment solutions that make entering the housing market more affordable for first-time homebuyers, as opposed to waiting to build a larger down payment.

"Genworth is committed to introducing innovative products and working with our lender partners to help Canadians buy homes sooner. Extended amortization periods and lower down payment options give buyers flexibility to keep monthly costs affordable when they

enter the market," said Vukanovich. "They can then opt to make biweekly payments, increase monthly payments in the future, or make planned lump sum payments."

"The Canadian housing market continues to demonstrate its fundamental soundness. In fact, Canada's housing market is a model of fitness and is forecast to remain strong," said Jim Murphy, President and CEO of the Canadian Association of Accredited Mortgage Professionals (CAAMP).

Note to Editors: A PDF of the full report including an in-depth housing analysis for Canada, the Provinces and eight metropolitan areas 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 Canadian consumers, homeowners and future first-time homebuyers. 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.

About Genworth Financial

Genworth is a leading insurance holding company, serving the lifestyle protection, retirement income, investment and mortgage insurance needs of more than 15 million customers. It has operations in 29 countries. For more information, visit www.genworth.com.

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