

GENWORTH FINANCIAL CANADA REPORT SHOWS RELIEF FINALLY IN STORE FOR B.C. HOMEBUYERS

Vancouver housing prices still lead Canada, but price increases set to ease

TORONTO, June 21, 2007 – The highest priced real estate market in Canada will finally begin to cool its jets in 2007, providing good opportunities for first-time homebuyers in British Columbia, 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 in 2007 will reduce the rate of price increases in B.C. to a forecast 5.9 per cent for new homes, to an average price of \$648,150.

Resale homes in B.C. are forecast to increase 9.2 per cent this year to an average price of \$426,558. The sense of relief for British Columbians comes from comparing these increases to average hikes of 17.8 per cent for resale homes in 2006 and 6.6 per cent for new homes.

Forecasting out to 2011, B.C. new home prices look to increase about 4.1 per cent annually and resale homes 6.2 per cent annually. 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.

“With the red-hot pace of price increases in B.C. over the last three years, 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.

Vancouver at a glance

In Vancouver, new home price increases are forecast to be 7 per cent in 2007 to an average of \$673,706, compared to a 6.9 per cent average hike last year. Vancouver new home prices are then forecast to climb 4.3 per cent annually on average from 2008-2011.

Growth in Vancouver resale home prices is forecast at 11.7 per cent this year to \$569,689, down from a 20 per cent resale home price rocket in 2006, and increases of more than 13.5 per cent in 2005 and 2004. Vancouver’s resale home prices are expected to rise a more modest 6.6 per cent annually through 2011.

Victoria at a glance

New home prices in Victoria will be virtually flat this year, rising only 1.2 per cent to an average \$470,717. Victoria saw big new home price increases of 9.1 per cent in 2004 and 7.9 per cent in 2005, cooling to 3.8 per cent last year. The market looks steady and strong through 2011, with price increases averaging 4 per cent annually.

Victoria's resale market continues to grow, with a price increase of 8.1 per cent forecast this year to an average price of \$461,119. That's down from price jumps of 16.2 per cent and 17.2 per cent in 2004 and 2005 respectively, while last year Victoria resale home prices went up 11.6 per cent. Through 2011, resale home price increases will average 5.6 per cent annually.

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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