

GENWORTH FINANCIAL CANADA REPORT SHOWS GOOD OPPORTUNITIES FOR FIRST-TIME HOMEBUYERS IN ONTARIO'S 2007 HOUSING MARKET

Latest Housing Outlook shows easing of price pressures in Toronto and Ottawa

TORONTO, June 21, 2007 – The pace of increasing housing prices in Ontario will ease in 2007, but the provincial market will remain strong and provide good opportunities for first-time homebuyers, 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 across Ontario in 2007.

New homes are forecast to increase in price by 3 per cent across Ontario this year. Resale homes are forecast to climb 3.4 per cent. Price increases have been moderating in Ontario since 2004, when new homes rose 5.1 per cent and resale homes rose 8 per cent.

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 rapid pace of price increases over the last three years, affordability has been stretched in some communities, 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. “Greater affordability translates into greater opportunities for first-time homebuyers to get into the market and begin building equity in their own homes.”

Toronto at a glance

In Toronto, new home prices are expected to rise 2.7 per cent in 2007 to an average \$518,401. Toronto new homes rose 5.9 per cent in 2004, 4.5 per cent in 2005 and 3.8 per cent last year. Looking ahead, Toronto new home prices are forecast to climb 3.3 per cent on average from 2008-2011.

Growth in Toronto resale home prices is forecast at 5.3 per cent this year to \$377,709. Toronto resale home prices grew 7.5 per cent in 2004, 6.3 per cent in 2005 and 4.8 per cent last year. Looking ahead, Toronto resale homes are forecast to increase in price by 4.4 per cent annually from 2008-2011.

Ottawa-Gatineau at a glance

In Ottawa-Gatineau, new homes are forecast to increase 3.5 per cent to \$355,171 this year. New home prices in the capital grew 6.6 per cent in 2004, 4.6 per cent in 2005 and 3.1 per cent last year. In future, Ottawa-Gatineau new homes are forecast to increase 3.2 per cent on average from 2008-2011.

Ottawa-Gatineau resale homes are forecast to climb 4.9 per cent this year, coming off hikes of 8.9 per cent in 2004, 4.3 per cent in 2005 and 3.8 per cent last year. In the longer term, the region's resale homes are forecast to grow in price by 3.9 per cent annually from 2008-2011.

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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