

GENWORTH FINANCIAL CANADA REPORT SHOWS OPPORTUNITIES ABOUND FOR BUYERS IN AFFORDABLE QUEBEC HOUSING MARKET

Montreal among the most accessible urban markets in Canada for first-time homebuyers

TORONTO, June 21, 2007 – Quebec’s housing market will remain stable and affordable through the next half decade, 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 translate into a price growth of 3.4 per cent for new homes to an average of \$261,972. Quebec resale homes are forecast to increase 3.9 per cent this year to an average price of \$201,843.

Prospective first-time homebuyers will continue to find the market in Quebec both accessible and a good investment, with the province’s new home prices forecast to increase 2.9 per cent annually and resale homes 3.9 per cent annually on average 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.

“Quebec’s housing market remains relatively affordable and accessible,” said Peter Vukanovich, president of Genworth Financial Canada. “This easing of price pressures, combined with the stability of the market over the medium term, adds up to a good opportunity for first-time homebuyers to get into their own home and start building equity.”

Montreal at a glance

In Montreal, new home prices are expected to jump 3.5 per cent in 2007 to an average \$279,607. Compare that to 6.4 per cent growth in new home prices in Montreal in 2004, 5 per cent growth in 2005 and 4.2 per cent growth last year. Looking ahead, Montreal new home prices are forecast to climb modestly and steadily at 3.2 per cent annually on average from 2008-2011.

Growth in Montreal resale home prices is forecast at 5.1 per cent this year to \$227,024, down from an average annual price increase of 8.9 per cent the past three years.

Montreal's resale home prices are expected to rise 4.2 per cent annually on average through 2011.

Quebec City at a glance

In the capital, new home prices are forecast to climb 2.4 per cent in 2007 to an average of \$188,277, down from an average 5.2 per cent price growth the last three years. New home price increases will average 3.2 per cent through 2011.

Quebec City resale homes are forecast to rise in price by 4.1 per cent this year, to an average \$154,783. That represents a slowdown from 9.7 per cent growth in 2004 and 2005, but predicted when resale homes rose only 4.8 per cent last year. Through 2011, annual resale price increases will average 4.2 per cent.

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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