Genworth Financial Canada

FIRST-TIME HOMEBUYER'S MONITOR

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Monthly Payments, Interest Rates, Property Taxes Top of Mind For First-Time Buyers: Survey

Future of Housing Market Lowest on List

TORONTO (February 20, 2008) –Two out of three first-time buyers considering a home purchase are confident in future housing values but are thinking about monthly payments, the potential for rising property taxes and interest rates, according to a new report released today by Genworth Financial Canada, The Homeownership Company, a subsidiary of Genworth Financial, Inc. (NYSE:GNW).

Genworth's winter *First-Time Homebuyer's Monitor* provides a comprehensive snapshot of the preferences and expectations of first-time buyers across Canada. Property taxes, interest rates and high monthly payments were the highest ranked among a list of seven issues first-time buyers were asked about, while concerns that housing values might decline in the future ranked the lowest.

"Overall, this report illustrates that Canadians continue to have confidence in the strength of the housing market. They take cyclical market fluctuations in stride and are focused on the long term benefits of building equity sooner", said Peter Vukanovich, president of Genworth Financial Canada.

"That said, there are some issues which do concern them, such as high monthly payments. But the good news is that there are innovative mortgage insurance solutions available to help make homeownership more affordable," said Vukanovich.

Only 33 per cent of first-time buyers surveyed for the report said "a drop in house values in the future" was of concern to them, making it the lowest-rated of seven possible factors. The top consideration, at 63 per cent, of first-time buyers nationally was "high monthly payments," which was highest in the most expensive housing markets, including Alberta (74 per cent), the Greater Toronto Area (73 per cent), Ontario (71 per cent) and British Columbia (65 per cent).

Rising property taxes were cited by almost 60 per cent of first-time buyers across the country – a level of worry that peaks at about 70 per cent in British Columbia, Alberta and the Greater Toronto Area. Almost 60 per cent nationally were also apprehensive about rising interest rates.

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"Canadians are savvy shoppers and they're looking at the bigger financial picture," said Vukanovich. "Economic factors like monthly payments, rising interest rates and property tax increases are playing a much greater role in homeownership decisions – particularly among the first-time homebuyer segment," he added.

"Nationally, more than two thirds (68 per cent) of respondents said that a home is the single most important investment they'll ever make. This shows that Canadian first-time homebuyers continue to believe that buying a home remains one of the most solid personal investments they will make in their lifetimes, and they understand the importance of achieving the goal of homeownership," said Vukanovich.

First-time buyers in the Greater Toronto Area and in Alberta are, however, concerned about future house values. Following extraordinary housing price spikes in Alberta's red-hot economy, which have begun to moderate, 54 per cent of buyers surveyed were worried about declining values. In Toronto, where home and condo values also have climbed rapidly, 50 per cent of first-time buyers expressed the same sentiment.

The Genworth survey highlighted some interesting perspectives:

- The most common level of down payment intended was between 5-10 per cent, while 25 years was the most preferred amortization term and a five-year mortgage term remains most popular nationally.

- Nationally, most first-time buyers planned to spend between $100,000-$199,000, except in Alberta and the Greater Toronto Area, where respondents cited $200,000-$299,000, and British Columbia where first-time buyers expected to pay $300,000-$399,000.

- Almost 60 per cent of first-time buyers said they'd get mortgage information from the Internet, including the use of online mortgage calculators to see what monthly payment they could afford.

The full Genworth Financial *First-Time Homebuyer's Monitor* is available at www.genworth.ca.

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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.

In addition to releasing two *First-Time Homebuyer's Monitor* reports annually, Genworth Financial Canada also issues reports on Canada's housing market and 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 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 continue to offer innovative products that help more Canadians realize the dream of homeownership sooner and more affordably.

Additional information about Genworth Financial Canada is available at www.genworth.ca or through mortgage lenders.

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