



MORTGAGE INVESTMENT ASSOCIATION OF BC

**Annual Report 2009
President`s Report
Charles King, President**

Submitted July 14, 2009

Since 1917 the Mortgage Investment Association of B.C. has been an active real estate industry association, working to build professionalism and a strong network among a wide range of real estate professionals with an interest in mortgage lending. No doubt there have been some interesting financial and economic highlights witnessed by Past Presidents over the years. It is likely many of these Past Presidents have whispered quietly, "This is incredible and could never happen again.. or .. I can't believe this could not have been stopped by regulators or that investors did not see this coming."

The mortgage industry is always interesting and challenging. Events can be as large as the Great Depression, the collapse of the Japanese real estate housing and stock market, or the dot.com bubble. They can even be small such as a new twist on mortgage fraud. We often wonder that if the fraudsters used their brains and creativity for real business purposes they would even be more successful.

One of the most amazing things that I have witnessed over the last 30 + years is the strong escalation in Vancouver house prices that seem to defy the experts. It is truly amazing when you look back over the last 50 years as to what has happened on Vancouver`s West Side.

- In 1960 building lots sold for \$160 a front foot and a new single detached home in the Point Grey area on a typical 33 foot lot sold for \$13,000;
- Then in 1970 the average price for a single detached home on a 33 foot lot in the Point Grey area increased to \$17,000;
- By Expo' 86 this home jumped to \$160,000; and
- Today, even with a reduction in prices since the financial crisis hit in 2008 and 2009, the average price rests around the \$1 million mark.

For the real estate and mortgage industry 2008-2009 was front page news on a consistent basis in most nations around the globe. Everyone watched, but none that were well informed were really that surprised with the unravelling of the US subprime mortgage business. The result was a level of economic turmoil not experienced in financial and real estate markets for a long time. From my experience it was extremely unique in that during the collapse of many financial institutions and

businesses we actually witnessed interest and mortgage rates fall to unprecedented levels. This definitely made recent events different from the early 1980s when mortgage rates topped 20 % for many months. I remember the early 1980s as a real credit crisis.

More recently, however, while many have been able to take advantage of extremely low cost of funds, others cannot obtain any credit at all as financial institutions carry on with the tough process of deleverage with commercial construction financing being significantly impacted, even for the best developers and builders. Where will this all end? With the bankruptcy of General Motors in the U.S. and nationalization of many U.S. financial institutions and government sponsored enterprises all we know is that we have entered into uncharted waters. Without doubt, low interest rates and the strong monetary and fiscal actions of many governments to pour billions and trillions into financial and credit markets will be positive to economic growth, without seemingly any worry about public debt and inflation. There are no economic models to evaluate the outcome of these efforts and their low term impact.

For the MIABC 2008-2009 was highlighted with some important achievements including:

- Monthly luncheons with record attendance for Michael Goldberg and David Baxter at which Michael and David were both acknowledged with honorary memberships into the MIABC for significant contributions to the Association and mortgage industry over the years;
- Upgrades to the MIABC website to simplify the administrative affairs of the MIABC to improve event registration and also to increase real estate professionalism and information transfer with a new section to the website entitled Mortgage Market News; and
- Special events highlighted by the Golf Tournament at Morgan Creek and December Reception at the Terminal City Club.

I would like to thank the entire MIABC Executive for their support and volunteer contribution to the Association. The members include,

Janice Funke, Past President
Rick Maysenhoelder, Vice President
Susan Wong, Treasurer
Karen Howatson, Secretary
Wayne Proctor, Director – Conference Committee
Lonnie Neufeld, Director – Speakers Committee
Michael Shane, Director – Legal Committee
Amanda Magee, Director – Public Affairs Committee
Brett Horton, Director – Website Committee
Jim McGregor, Director

This has been a great team. Some noticeable events for the Executive include the birth of Amanda's new baby girl on March 30th, which is just great and we congratulate her and her family. We are eagerly awaiting Amanda's return and significant contribution to the MIABC. As well, we are very thankful to Wayne Proctor and Brett Horton for their tremendous support and attention to detail as Executive Committee members as they step down from the Board in 2009. There will always be room at the MIABC table for Wayne and Brett in the future.

I would also like to thank Kosta ChatziSpiros for his excellent professional consulting services in support of the MIABC Executive as Executive Director.

Finally, and this should be the first item, it is the members of the MIABC that make this industry association such a valuable part of BC's real estate and mortgage investment community, So thanks to all the members that support the activities of the MIABC and continue to pay their dues and come out to the events. I really appreciate it!

The challenges moving forward relate to a number of structural changes to the association itself. These will include further improvements to the website and more administrative stream-lining to enhance member satisfaction so that people can register for events with ease. As well, the incorporation of the MIABC as a non-reporting, society will also be essential to the sound footing and continued preence of this key industry association as it build momentum into the future. The goal is to create a new member and corporate directory over the next few months. Overall, the brand value of the MIABC will be acknowledged in the market as an affordable, high quality association that seeks to complement other large real estate focused industry associations and build relationships with these associations to enhance the overall professionalism among industry participants.

Respectfully submitted,

**Charles King
President, MIABC 2008 - 2009**