



Thank you (moderator) and thank you Congressman Thompson for inviting me today. It's my pleasure to be here.

My name is Brent Fish and I am President of Fish Real Estate based here in Williamsport, Pennsylvania. Fish Real Estate is a 57-year-old company focusing on residential, commercial and recreational brokerage services, and, more recently, property management.

I'm also the managing partner of an industrial development company called Fishlips, LLC. We currently own and manage 13 industrial and office facilities, all of which are leased to major natural gas service companies. Moreover, we are the developers of Marcellus Energy Park, a new Industrial Park developed from raw land in Muncy, Pennsylvania (which is approximately 10 miles east of Williamsport). These facilities and the operating companies in this park helped create over 400 family- sustaining, full-time jobs.

When the Marcellus Shale industry began to move into our area, the local real estate community could only speculate and theorize about the positive effects it could have on our housing market. After roughly 6 years, I believe we now have the data - beyond the anecdotal and what we witness on a daily basis - to back up the statement that the natural gas industry has had an extremely positive impact.

Before I delve into any specific numbers, it is important that they be viewed with the following facts in mind: Firstly, that the greater Williamsport real estate market has, historically, always followed national trends. Secondly, and unfortunately, that following the national housing crash in 2008, and with the subsequent recession, the national market has - as and average - struggled to come back. There are several charts and graphs as well as a news article in the package of information I have provided.

I will summarize the data:

- From the peak of the housing market, which occurred in 2006, through 2012, the average price of a home in the US dropped almost 30%. During the same time frame the average home price in the greater Williamsport area increased 17%.
- Another independent study that is summarized on the attached news article shows an increase of over 18% and ranks the Williamsport MSA (metropolitan statistical area) real estate market as the 3<sup>rd</sup> strongest market during the recession. (As an important side note, the same study shows that the majority of other markets in the top 10 are all in areas of oil or natural gas development)
- A second chart shows that as the total number of sales in the US as a whole declined every year after the crash in 2008, however, the total number of sales in our region remained stable.

So why - if we typically follow national trends – is this region showing an unheard of 47% improvement over the national average? As in most small- to-mid-sized markets like ours, it would take a major infusion of economic development to affect a real estate market in this manner. Clearly that infusion in the Greater Williamsport Region has been natural gas development.

The effects of shale gas production on regional commercial real estate and development have followed suit. When the industry first came into the area, our commercial division, Fish Commercial Group received communication on a daily basis from companies looking for industrial and office space. While their building needs were fairly specific, basically any available property that even came close to their needs was leased or purchased in an expeditious manner. The available inventory of these properties quickly diminished. Lycoming County had an advantage over some surrounding markets in that we had available properties, land and established infrastructure so gas production and service companies continued to be drawn to the area. At one point and time we determined there were over 100 new industries in Lycoming County, all directly or indirectly related to natural gas development. Large, contiguous pockets of office space that sat vacant for extended periods of time have also been absorbed. This trend can be credited not only to the presence of several gas production companies, but also to the pipeline industry and the numerous engineering firms from other areas of the state that are expanding their presence in our market due to the demand for their services.

Moreover, it is easy to notice the increased hotel, retail and apartment development as you travel around the county.

Based on these facts, I believe it is safe to say that the natural gas industry brought sudden growth to our real estate market, and in many ways made it immune to the national recession. Considering that the majority of the new jobs that have been created in this area by shale development have been local hires at increased wages it is also safe to say that the buying power of our residents has also gone up.

I will close with this final thought: Despite one of the worst economic downturns in history, our area has thrived and has - inconceivably for many of us - been rated as one of the strongest markets in the country. Obviously, it is safe to assume my colleagues and I want to see it continue to thrive. When you can actually see with your own eyes, every single day, what energy development can do for an economy you truly believe it. When you run into old friends you grew up that have been hired within the industry and they tell you with tears in their eyes what it's done for their families, you truly believe it.

I'm not an economist but it's obvious that surging housing markets and increased job availability are drivers toward improving any economy - local or national. So I urge all the representatives here today, along with the public in general, to continue to push toward energy policies that encourage increased domestic production of this natural resource.