

**EXHIBIT
PWC-301**



The Dictionary of Real Estate Appraisal

Seventh Edition

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H

habendum clause. A clause in a real estate document that specifies the extent of the interest (or interests) to be conveyed.

hard costs. *See* **direct costs.**

hard goods. A class of merchandise composed primarily of durable items, e.g., hardware, machines, heavy appliances, electrical and plumbing fixtures, farming machinery and supplies; also called *hardlines*.

hazard insurance. Insurance coverage that compensates for physical damage to a property from fire, wind, vandalism, or other hazards.

headship rate. The ratio between the number of households headed by a person of a particular subgroup (e.g., unmarried males, aged 25-29) and all the persons in that subgroup (e.g., 58.1% of unmarried males are heads of households). *See also* **household.**

health and fitness center. An exercise facility that features an assortment of weight and resistance training, aerobic activities, and locker room and shower facilities. The category encompasses a wide range of facilities. Lower-end facilities may only provide weight-training equipment while upper-end facilities may include court facilities, swimming pools, and areas for classes and spa treatments.

health spa resort. A lodging facility that caters almost exclusively to health-conscious leisure travelers. Health spas generally offer an all-inclusive program that includes accommodations, meals, a medical check-up, individually designed health-related activities, and various types of counseling. Guests normally stay for three days to two weeks. These properties are usually located in resort areas. Their facilities typically include those normally found in resort hotels, with heavy emphasis placed on fitness equipment, exercise rooms, and similar amenities.

heavy industry. Industries that are physically extensive or complex and usually require large tracts of land (e.g., steel mills, refineries, foundries, packing plants);

also, industrial operations that produce hazards or nuisances (e.g., objectionable fumes, pollution, noise, vibration). Also called *heavy manufacturing*.

hedging. A strategy to offset business or financial risk, e.g., buying or selling commodity futures to protect against price swings.

hedonic pricing model. An econometric model that identifies price factors according to the premise that price is determined both by internal characteristics of the good being sold and external factors affecting it, i.e., the size, location, and other factors affecting the price of a house.

height limit. A zoning regulation that controls use or occupancy within a given area by designating the maximum height of structures; also determined by bulk plane restrictions as specified by the zoning code.

HEL. *See* **home equity loan.**

HELOC. *See* **home equity line of credit.**

heterogeneous. Being unlike; with varying attributes, e.g., a neighborhood or market area that exhibits a wide variety of improvements, land uses, or inhabitants. *See also* **homogeneous.**

highest and best use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the rea-

sonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

4. [For fair value determination] The use of a nonfinancial asset by market participants that would maximize the value of the asset or the group of assets and liabilities (for example, a business) within which the asset would be used. (FASB Glossary) The highest and best use of a nonfinancial asset takes into account the use that is physically possible, legally permissible, and financially feasible. (FASB 820-10-35-10B). The highest and best use of a nonfinancial asset establishes the valuation premise used to measure the fair value of the asset, as follows: (a) The highest and best use of a nonfinancial asset might provide maximum value to market participants through its use in combination with other assets as a group (as installed or otherwise configured for use) or in combination with other assets and liabilities (for example, a business). (b) The highest and best use of the asset might provide maximum value to market participants on a standalone basis. (FASB 820-10-35-10E)

high rise

1. A multistory building with elevators. Though sometimes defined as a building with ten or more stories, the definition may vary depending on locale and property type. When used in regard to office buildings in an urban setting, a building containing forty or more stories. (IREM)
2. In a central business district, a building higher than twenty-five stories above ground level; in suburban submarkets, generally a building higher than seven or eight stories. (SIOR)

See also **high-rise office building**; **low-rise**; **mid-rise**.

high-rise apartment building. An imprecise term used since World War II to distinguish a modern elevator apartment building from its prewar counterpart; usually a tall building, but this standard varies in different areas.

high-rise office building

1. A multistory office building, usually having sixteen floors or more.

2. A building of higher than twenty-five stories above ground level. (BOMA/NAIOP)

See also **low-rise office building**; **mid-rise office building**.

high-tech manufacturing facility. An industrial complex designed to meet the needs of high technology fabrication processes; generally considered to have more demanding building standards than facilities housing heavy industry in terms of sophisticated clean rooms, vibration dampening, biohazard containment, and higher electrical capacity as well as security provisions, high-speed Internet connections, and building design and layout.

high technology. Commonly used to describe a real estate market segment that deals in or is related to technologically advanced products, e.g., computers, electronics, semiconductors. New variations include robotics, the use of computer-controlled robots to perform tasks once done by humans, and biotechnology in the life sciences, e.g., genetic engineering and the synthesis and manufacture of biological products; also called *high tech*.

highway capacity. The amount of traffic a roadway can accommodate; controlled by the types of vehicles using the highway, the number and width of travel lanes, the allowable speed, road curvature and topography, and the access limitations and development controls of adjacent real estate.

highway frontage. Land that is adjacent to and abuts a highway right of way.

highway line. The outside limits of a highway right of way, as distinguished from the limits of actual construction, e.g., curbs, shoulders, slopes; also called *right of way line*.

historical cost. The cost of a property when it was originally constructed.

historic district. An area officially recognized or designated by a unit of federal, state, or local government as containing structures or sites with historical, architectural, or cultural significance. Recognition or designation as a historic district is typically accompanied by a set of standards or regulations to protect or