

Appeal No. VA91/1/001

AN BINSE LUACHÁLA
VALUATION TRIBUNAL
AN tACHT LUACHÁLA, 1988
VALUATION ACT, 1988

O'Rourke Brothers Ltd

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Sandpit at Lots 15B, 19H, 16CF, 20B Ballyconnigar Lower, Castletalbot, Enniscorthy, Co. Wexford

B E F O R E

Paul Butler

Barrister (Acting Chairman)

Mary Devins

Solicitor

Veronica Gates

Barrister

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 6TH DAY OF JUNE, 1991

By notice of appeal dated the 26th day of February, 1991, the appellants appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £55 on the above described hereditaments.

The grounds of appeal as set out in the Notice of Appeal are that there are no buildings on site save derelict shed 8 foot by 8 foot. The above proposed valuation is therefore excessive, inequitable and could not be upheld in law.

The Property

The property consists of a 13 acre sandpit at Ballyconnigar, Blackwater, Co Wexford about one mile east of Blackwater Village and 11 miles north of Wexford town.

Valuation History

The property was first valued in the 1990/91 revision at £55. An appeal was lodged and having considered the report of the Appeal Valuer the Commissioner of Valuation made no change to the rateable valuation. It is against this determination that this appeal now lies to the Tribunal.

Written Submissions

A written submission was received from Messrs Raymond E Corish & Co Ltd., MIAVI, Estate Agents, Auctioneers and Valuers on the 23rd May, 1991 on behalf of the appellants.

In this Mr Corish said that the quarry is in a quiet locality not far from Ballyconnigar strand with access by a minor road. He said that the sandpit itself would have a deposit of approximately 20% gravel to 80% sand. Mr Corish said that the sandpit has been used for a long number of years and that about 2½ acres of sand/gravel remains with a further three acres of waste ground unsuitable for sandpit use and the remaining acreage made up of exhausted sandpit ground. He said that he understands that about 10 acres of the sandpit was purchased within the last couple of years by O'Rourke Brothers at £1,000 per acre. He said that some of the sandpit area being used at present has a marley type sand which is unsuitable for building. Mr Corish said that he understands from Mr O'Rourke that he uses the pit lightly at the rate of about 600 tons per week (31,200 tons per annum). Mr Corish said that on the above basis and on a royalty of 18p per ton

this would give the pit a rental value of £5,600 per annum. He said that using a factor of .5% this would give a rateable valuation of £28.08, say £30.

Mr Corish attached two comparisons as follows:-

1. The Roadstone pit at Ballyvaldon, Blackwater and
2. Roadstone depot at Park, Wexford.

The details of these comparisons are attached as Appendix "A" to this judgment.

In a written submission received on the 29th May, 1991, Mr Malachy Oakes, a Valuer in the Valuation Office, on behalf of the respondent outlined the valuation history of the property and commented on the appellant's grounds of appeal. Mr Oakes said that he inspected the property in November 1990 and found that it consisted of a sandpit which had obviously been in operation for some years. He said that although no one was present at the time of inspection there were signs that sand was still being extracted. Mr Oakes said that sandpits are valued on the basis of average output as calculated over the previous three years and in comparison with similar properties. He said that the output of this sandpit was estimated at revision at 20,000 tonnes although efforts to establish the actual output were not successful at first appeal stage.

Mr Oakes outlined the method by which he calculated the rateable valuation as follows:-

Estimated output 20,000 tonnes at 4.75 ton	£95,000
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Less expenses:

- | | |
|-------------------------------|----------------|
| 1. Labour - 3 men at £13,000 | £39,000 |
| 2. Depreciation | |
| (a) Loader 10% of £100,000 | £10,000 |
| (b) Transport | |
| 3 trucks - 3 x 10% of £60,000 | £18,000 |
| 3. Office and Sundry | <u>£ 5,000</u> |

£72,000	<u>£72,000</u>
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	£23,000
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Available for Rev. 50% of 23,000 = £11,500

R.V. @ 5% = £57.50 Say £55.00

Mr Oakes said that an alternative method of valuing sandpits is to apply a rate of .0028p/tonne and that this basis had been used as a basis of agreement in two Valuation Tribunal appeals - VA/88/261 and VA/89/183 on which settlement was reached prior to hearing. Mr Oakes provided three comparisons as follows:-

1. Lot 14B.15A.16AB Ballyconnigar Lower, ED Castletalbot
2. Lot 5B.6B Ballyknockan, ED Bolabay, RD Enniscorthy and
3. Lot 2C.5D Ballynamona, ED Ballyvaldon, RD Enniscorthy.

The details of these comparisons are attached as Appendix "B" of this judgment.

In addition to the foregoing written submissions a document dated 5th June, 1991 was handed in on behalf of the appellant. The same is annexed to this judgment as Appendix "C" and a further list of comparisons was handed in on behalf of the respondent and the same is annexed to this judgment as Appendix "D".

Oral Hearing

The oral hearing took place in Wexford on the 5th June, 1991. Mr Raymond E Corish of Messrs Raymond E Corish & Co Ltd., appeared on behalf of the appellant and Mr Malachy Oakes appeared on behalf of the respondent.

Mr Corish in evidence said that the pit in question is located in a sandy area, that most of the material taken from it is sand rather than gravel, and is then brought by lorry to a processing plant at Castlebridge which is also owned by the appellant. The appellant indicated that only quarrying activities took place at the pit, the washing being done at the aforementioned premises at Castlebridge.

It emerged in the course of the hearing that the parties agreed that the output of the plant in question was 30,000 tonnes per annum. Mr Corish broadly accepted the methods adopted by the respondent. He did, however, find three important flaws therein, namely:-

The same took no account of location.

The same took no account of qualities of materials.

The same took no account of production facilities on site namely washing, screening and sales facilities.

Mr Oakes outlined in some detail the basis of valuation of the quarries. He said that this same was developed in the 1950's in order to give uniformity and a scale was drawn based on output and the royalties system. The scale was as follows:-

Output up to 50,000 tonnes .0028p per tonne.

50,000 to 100,000 tonnes .0024p per tonne.

100,000 to 250,000 tonnes .00185p per tonne.

Over 250,000 tonne .0012p per tonne.

Mr Oakes stressed that the most obvious comparison was that given at paragraph one of his summary.

It seems to the Tribunal that the best comparison offered by either side was comparison number 1 in the submission of Mr Oakes in that, those premises are immediately adjacent to the subject premises and part of the same hill. In relation to this comparison Mr Corish submitted that the production was larger and that there were screening facilities on site.

Determination

While the Tribunal is aware that the comparison premises which it is using is in almost precisely the same location and can, therefore, be presumed to have broadly the same quality materials, the subject, nonetheless, has a lower output and no production facilities on site. Having regard to the foregoing the Tribunal determines the correct rateable valuation to be £50.00 and finds accordingly.