

Appeal No. VA92/2/050

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

Thomas Meehan

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Sandpit building and land on lot 2 Ballinphuill, E.D. Scregg, R.D. Glenamaddy, Co. Galway

Quantum - Sandpit, competition not rated

B E F O R E

Henry Abbott

S.C. Chairman

Mary Devins

Solicitor

Paul Butler

S.C.

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 9TH DAY OF SEPTEMBER, 1992

By notice of appeal dated the 27th day of March, 1992, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation on the above described hereditament at £58.50 (sandpit £56.00, building £1.00 and land £1.50).

The grounds of appeal as set out in the Notice of Appeal are that "the valuation is excessive, inequitable and bad in law".

The Property:

A sandpit situated in East Galway about 3 miles from Moylough and 8 miles from Glenamaddy. The average annual output is 20,000 tons approximately.

Written Submissions:

A written submission was received on the 1st of September, 1992 from Mr. Patrick J. Nerney, Rateable Valuation Consultant, Valuer and Auctioneer on behalf of the Appellant. Mr. Nerney stated that the valuation of £56 on the sandpit was fixed at the 1990/3 Revision and no change was made at 1st appeal. He said that the pit is leased at £2,000 p.a. for 8 years from 1986. He said that quarries with outputs in excess of 250,000 tons p.a. were to be valued as follows:-

First 50,000 tons	0.28p per ton
Next 50,000 tons	0.24p per ton
Next 50,000 tons	0.185p per ton
Balance	0.12p per ton

This method, he said was devised by the Commissioner of Valuation about 25 years ago. Mr. Nerney said that this is both unrealistic and inequitable to adopt the same unit rate of valuation for annual outputs up to 50,000 tons now.

Mr. Nerney said that years ago there may have been some validity in this approach when there was a market for run of the pit material i.e. sand or gravel, now the demand is for washed sand and aggregate. He said that sandpits are now obliged to install screens and washing plants, the cost of which does not leave much scope for profit on small outputs. Mr. Nerney used the following methods in arriving at the N.A.V. and R.V.:-

Average annual output 20,000 tons @ 25p = £5,000

R.V./N.A.V. - £5,000 @ .5% = £25

OR

Average annual output 20,000 tons @ 0.125p = £25 R.V.

Mr. Nerney compared the subject property to a gravel pit in R.D. Westport, Co. Mayo which was reduced from £105 to £70 by Castlebar Circuit Court in December 1985 which equals at 35,000 tons output p.a. @ 0.2p = £70, £3.50 of this relates to buildings.

Mr. Christopher Hicks presented a written submission on the 10th of August, 1992 on behalf of the Respondent. In this submission Mr. Hicks said that the subject is a fully operational sandpit with production facilities on site. He said that the normal and widely accepted method of

valuing sandpits is to apply a fixed multiplier of 1.0028p to the annual output in the subject case. He set out the valuation as follows:-

20,000 tons @ .0028p = R.V. £56 (absolute)
 small general purpose building
 200ft² nominal valuation = R.V. £1 (building)

Mr Hicks included five comparisons in his submission and these are attached hereto as Appendix "A".

Oral Hearing:

The oral hearing took place in Galway on the 9th of September, 1992. Mr. Patrick J. Nerney, Rateable Valuation Consultants represented the Appellant and Mr. Christopher Hicks, Valuer represented the Respondent.

Both representatives discussed the alternative bases for valuation and the Tribunal considered with them the implications of the judgment of Kingsmill-Mooore J. in the Roadstone case. However the unique aspect of the subject premises appeared to be, (on the evidence of the Appellant himself), that within a reasonable radius there were approximately eight sandpits in competition for a generally summer market of farmers and small builders. There was no large contribution of national road network jobs to inflate the demand for gravel in the area and apparently gravel deposits were common in the area. None of the competing sandpits had been valued and Mr. Hicks was constrained to go far outside the area and indeed the county to find comparisons.

The Tribunal is satisfied that the Appellant is not in a big way of business and that his location leaves him very competition sensitive. It appears that he either has planning permission or is recognised as being exempt from planning permission by reason of the length of operation of the sandpit. He knows little or nothing about the planning status of the other pits but suspects that they haven't received planning permission. This suspicion is borne out by the comment of Mr. Hicks that if planning permission had been sought then these sandpits would have been put in for rating.

While the Tribunal appreciates that Mr. Hicks has applied reasonable criteria to his estimate of the value of the sandpit and that Mr. Nerney too has approached the matter fairly from, perhaps a different viewpoint, the Tribunal is of the view that a value somewhere between the two figures is the most appropriate solution for an area where there really is no real big business in sand and

gravel. While the Tribunal has no statutory function in relation to the matter, it cannot refrain from commenting upon the fact that competing sandpits in the area have not been rated, leaving the Appellant in the position where his competitiveness could be eroded seriously as a result of having to pay any significant amount of rates. The Tribunal may only hope that the local authority maybe in a position to redress this imbalance and list all of the hereditaments in the sand and gravel business in the area for rating. In that event it is hoped that the valuation of the subject premises will not be an unduly harsh verdict for the valuation of other sandpits in this fairly stagnant area.

Accordingly having considered all the evidence and the comparisons offered with the other circumstances of the case which emerged at the hearing the Tribunal finds that the valuation of the subject is £35. The land and buildings remain £1.50 and £1 respectively giving a total valuation at £37.50.