

Appeal No. VA99/2/015

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

McGrath Limestone Works Ltd.,

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Land, Office Warehouse/Warerooms, Quarry/Sandpit at Map Reference 2DEFHG 3B
Townland: Cregaree, RD: Ballinrobe, ED: Cong, Co. Mayo

B E F O R E

Con Guiney - Barrister at Law

Deputy Chairman

Marie Connellan - Solicitor

Member

Rita Tynan - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 20TH DAY OF JANUARY, 2000

By Notice of Appeal dated the 27th day of April 1999 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £315 on the above described hereditament.

The Grounds of Appeal as set out in the said Notice of Appeal are that the valuation " is excessive and inequitable to similar type properties and bad in law".

The Property

The Quarry is situated about 400 metres to the north west of Cong village. It comprises a limestone quarry with a readymix concrete facility on the site and an open-air block making operation.

Valuation History

Subject was initially valued in 1987 although it had been in operation for up to ten years previously. The valuation was assessed at £25 buildings and £110 absolute.

The property was again valued as part of the 1997 revision and resulted in the valuation being increased to £165 buildings and an absolute valuation of £150.

The quantum on the buildings (£165) was agreed in advance of the hearing. The core issue was the assessment on the quarry at RV £150.

The appeal proceeded by way of an oral hearing, that took place in the Council Chamber, Mayo County Council, Castlebar, Co. Mayo on the 13th day of January 2000. The appellant was represented by Mr. Tadhg Donnelly MIAVI. Mr. John Sheils, ARICS of John Barnett & Associates Ltd, Chartered Mineral Surveyors gave evidence on behalf of the appellant. The Respondent was represented by Mr. Colman Forkin B.S.c (Surveying) ASCS ARICS, a Valuer with 19 years experience in the Valuation Office.

The appellant's case

Mr. Sheils gave evidence on behalf of the appellant and in his evidence he compared and contrasted the subject hereditament with the comparison which Mr. Forkin relied on which was Dan Morrissey Ltd, being a Valuation Tribunal decision VA96/2/044. In his evidence Mr. Sheils made the point that the output from the subject hereditament was smaller than Morrissey's being 165,000 tons as against 200,000 tons in the Dan Morrissey case. He also said that the subject property was located in Cong in the West of Ireland with a limited market and a poor infrastructure in the area. He then pointed to the fact that the comparison, Dan Morrissey was located in the south-east of Ireland with a good road network and a much larger market in Leinster. He also dealt in his evidence with the fact that there would be more purchasers for the property in an area like south-east Leinster and that this type of pressure would push up royalty prices.

Appellant's valuation

Potential Rents or Net Annual Value

165,000 tones per annum @ royalty of 15p /ton = £24,750

Adjust for rental income @ 1988 value (x 0.83) = £20,542.50
 Rateable valuation @ .5% = £102.71 say £103.

Valuation on buildings of £165 agreed.

Respondent's case

Mr. Forkin gave sworn testimony on his method of arriving at a valuation and his use of the Dan Morrissey comparison on which he relied. He had compared the subject property with the Dan Morrissey case, the subject property having an ex-pit price adjusted to 1988 of £2.45 compared with the ex-pit price in Morrissey's of £2.50 per ton and a Royalty per ton of £0.18p. He had used 7.2% of the ex-pit price to assess the royalty figure used in his valuation.

Respondents valuation

Average output 165,000 tons pa @ royalty of 18p per ton = £29, 700
 Say £30,000 x .5% = £150.

Alternatively

Ex-pit price for 1996/1997 = £3.05 per ton
 Adjust to November 1988 by W.P.I. (sand and gravel) = £2.45
 £2.45/ ton x 7.2% = 17.64 pence say 18 pence
 165,000 tons at 18p per ton = £29,700
 say £30,000 x .5% = £150.

He also referred to the fact that there was no disability allowance in the subject property and that there was a five percent allowance in the Morrissey comparison.

Determination

The Tribunal has considered the written submissions and the oral evidence offered by the appellant and the respondent.

The Tribunal finds that the expert evidence of Mr. Sheils is the most reliable evidence in arriving at a determination in this particular case. Mr. Sheils has particular expertise being a chartered mineral surveyor. The Tribunal finds that the evidence Mr. Sheils has given is an appropriate basis for arriving at a determination in this matter and accordingly the Tribunal determines the valuation of the quarry to be as follows:

165,000 tons @ £0.15p royalty per ton = £24,750pa
adjust the rental income to 1988 values at £0.83p = £20,542.50pa
@ .5% = £102.71 say £103.

and the Tribunal therefore determines the ratable valuation of the quarry to be £103. Add to this the agreed ratable valuation for the buildings of £165.

The Tribunal determines the ratable valuation of the subject hereditament to be £268