

## VALUATION PRACTICE NOTE – QUARRIES & SANDPITS

Version 1.0

### 1. Property Description

1.1. Quarries and sandpits are extractive industries engaged in the production of various grades of raw materials used in the construction industry.

1.2. The materials produced range in nature from sand and gravel through aggregates to cut stone blocks. The type and range of products varies from location to location.

### 2. Rateability

2.1. Quarries and sandpits are rateable Relevant Property in accordance with Section 15 and Schedule 3 paragraphs 1 (a) (b) and (e) of the Valuation Act, 2001 as amended by the Valuation (Amendment) Act 2015.

### 3. Basis / Methodology of Valuation

3.1. The valuation of a property for Revaluation purposes is carried out under section 48 of the Valuation Act, 2001 as amended by the Valuation (Amendment) Act 2015.

3.2. The valuation of a property for Revision purposes is carried out under section 49 of the Valuation Act, 2001 as amended by the Valuation (Amendment) Act 2015.

3.3. The valuation of quarries and sandpits is determined by a combination of applying a Royalty per tonne of output, the value of the fixed plant calculated using the Contractors Method of Valuation and the value of buildings and yards.

3.4. In accordance with section 50 of the Valuation Act, 2001 as amended by the Valuation (Amendment) Act 2015 the value of the fixed plant is 5% of the cost of the modern equivalent plant at the relevant valuation date depreciated for age and including the site under the plant. This cost is the installed and operational cost, including fees, and will include the control equipment necessary for the operation of the plant.

3.5. A rate of value is applied on a per square metre basis to buildings and yards.

#### **4. Information Required**

4.1. Prior to a revaluation an MEP1 form will be sent to the occupier of a quarry or sandpit seeking the following information:

- Planning details
- General information on the extraction process
- Purchase price and tenure details including royalty payments
- Accounts
- Development costs
- Output details of each type of product for at least three years
- Projected output for the next year
- Ex-pit prices per tonne (excluding transport) of each product for each year
- Reserves to be extracted

4.2. Further details on the above may be required as well as the following information:

- Production capacity of fixed plant.
- Age, make and purchase price of each item of fixed plant.
- Current replacement cost as new of each item of fixed plant.

#### **4. Survey / Inspection**

4.1. The following information will be noted:

- Property Location and accessibility.
- Proximity to markets and major towns & cities; local economy / building activity.
- Physical characteristics of the property such as overburden and water issues.
- Product Quality.
- Fixed plant.
- Buildings.
- Yards and open storage

#### **5. Measurement**

5.1. The buildings are measured to Gross External Area (GEA) in accordance with the Valuation Office Rating Code of Measuring Practice and the SCS Code of Measuring Practice.

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