



Civil Resolution Tribunal

Date Issued: July 28, 2021

File: SC-2021-000031

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *Saran Appraisals & Consulting Ltd. v. Singh*, 2021 BCCRT 825

B E T W E E N :

SARAN APPRAISALS & CONSULTING LTD.

APPLICANT

A N D :

TONY SINGH and 0894588 B.C. LTD.

RESPONDENTS

A N D :

SARAN APPRAISALS & CONSULTING LTD.

RESPONDENT BY COUNTERCLAIM

REASONS FOR DECISION

Tribunal Member:

Richard McAndrew

INTRODUCTION

1. This dispute is about a real property appraisal report. The applicant, Saran Appraisals & Consulting Ltd. (Saran), says it prepared an appraisal report for the respondents, 0894588 B.C. Ltd. (089) and Tony Singh. Saran prepared the appraisal report and claims \$2,511.25 for unpaid work.
2. Mr. Singh and 089 say that Saran's appraisal report was allegedly inaccurate and unusable. Mr. Singh counterclaims for \$5,000, for expenses he says he incurred due to Saran's alleged failure to properly appraise the property and says those expenses justify it not paying Saran's appraisal fees. Mr. Singh says he has incurred further losses but he reduced his counterclaim to \$5,000 to comply with the Civil Resolution Tribunal's (CRT) \$5,000 maximum monetary limit for small claims.
3. Saran says that it properly prepared the appraisal report.
4. Saran is represented by Jass Saran, owner. Tony Singh represented himself and 089, as an employee or principal.

JURISDICTION AND PROCEDURE

5. These are the CRT's formal written reasons. The CRT has jurisdiction over small claims brought under section 118 of the *Civil Resolution Tribunal Act* (CRTA). Section 2 of the CRTA states that the CRT's mandate is to provide dispute resolution services accessibly, quickly, economically, informally, and flexibly. In resolving disputes, the CRT must apply principles of law and fairness, and recognize any relationships between the dispute's parties that will likely continue after the CRT process has ended.
6. Section 39 of the CRTA says the CRT has discretion to decide the format of the hearing, including by writing, telephone, videoconferencing, email, or a combination of these. Here, I find that I am properly able to assess and weigh the documentary evidence and submissions before me. Further, bearing in mind the CRT's mandate

that includes proportionality and a speedy resolution of disputes, I find that an oral hearing is not necessary in the interests of justice.

7. Section 42 of the CRTA says the CRT may accept as evidence information that it considers relevant, necessary and appropriate, whether or not the information would be admissible in a court of law. The CRT may also ask questions of the parties and witnesses and inform itself in any other way it considers appropriate.
8. Where permitted by section 118 of the CRTA, in resolving this dispute the CRT may order a party to do or stop doing something, pay money or make an order that includes any terms or conditions the CRT considers appropriate.

ISSUES

9. The issues in this dispute are:
 - a. Does Mr. Singh and 089 owe Saran \$2,511.25 for unpaid appraisal work?
 - b. Did Saran breach the contract or perform negligent work, and if so, what is the appropriate remedy?

EVIDENCE AND ANALYSIS

10. In a civil proceeding like this one, Saran, as the applicant must prove its claims on a balance of probabilities. Mr. Singh has the same burden in his counterclaim. I have read all the parties' submissions but refer only to the evidence and argument that I find relevant to provide context for my decision. Mr. Singh and 089 did not provide any evidence, though they had the opportunity to do so.
11. On January 7, 2000, Saran sent Mr. Singh an email offering to appraise the property, for fees of \$5,500 and disbursements of \$225 plus GST. Saran requested a \$3,500 deposit with the \$2,511.25 balance payable upon completion. Mr. Singh accepted this offer by email the same day and delivered the deposit.

12. Saran says that it was hired by both Mr. Singh and 089. However, I find that Saran has not provided sufficient evidence to prove that Mr. Singh intended to enter a contract with Saran on his personal behalf. Mr. Singh's emails were sent under a business name, Divine Villas, which I infer is 089's trade name. This suggests that Mr. Singh was acting on behalf of 089, not personally. Further, Saran's report was addressed to 089, with Mr. Singh's name only in parenthesis. I find that Saran's evidence does not prove that Mr. Singh intended to be personally bound by the contract. So, I find that Mr. Singh accepted the offer on behalf of 089, and not on his own behalf. Based on the above, I find that the terms of Saran's January 7, 2000 email became a binding contract between Saran and 089. Since Saran's claim against Mr. Singh is based on the contract, which Saran has not proved that Mr. Singh is a party to, I dismiss Saran's claim against Mr. Singh.
13. It is undisputed that Saran prepared the appraisal report. Saran sent the respondents an invoice for \$2,511.25 on January 7, 2020 and it emailed the report to Mr. Singh on January 21, 2020. Saran's invoice is unpaid. So, subject to 089 proving that the Saran's work was inadequate as discussed below, I find 089 owes Saran the claimed \$2,511.25 under the contract for unpaid work.
14. As noted above, 089 says it does not owe Saran anything because the appraisal report was allegedly unusable. 089 may be entitled to a setoff from the appraisal fees if it can prove that appraisal work was defective. 089 has the burden of proving the defects (see: *Lund v. Appleford*, 2017 BCPC 91).
15. Specifically, 089 says that the appraisal report did not accurately consider the property's services. 089 says that it provided Saran with letters from the buyer's consultants and municipal inspections that allegedly confirmed that the property's services were 100% complete but this information was not reflected in the appraisal. 089 also says that Saran lacked the knowledge and expertise to provide the appraisal report. Saran says they correctly appraised the property. Saran says that the property's services were not complete when it performed the appraisal and this status was properly assessed.

16. 089 has burden of proof and it has not provided any evidence supporting its claim that the appraisal was improper or that Saran lacked the necessary expertise to perform the work. Further, I find that expert evidence is required to determine the professional standard for the appraisal report's preparation because this is not a matter within ordinary knowledge (see *Bergen v. Guliker*, 2015 BCCA 283). In the absence of supporting expert evidence, I find that 089 failed to prove that the appraisal report was prepared improperly. So, I find that 089 is not entitled to a setoff and it owes Saran \$2,511.25 under the contract.
17. For the same reasons discussed above, I find that Mr. Singh has also failed to prove his counterclaim. Mr. Singh has not proved that he was a party to the contract and he has not provided any evidence to prove that Saran was negligent or breached the contract by providing an improper appraisal report. In the absence of evidence, I find that Mr. Singh's counterclaim is unproven and I dismiss it.

Interest, CRT fees and dispute-related expenses

18. The *Court Order Interest Act* (COIA) applies to the CRT. Saran is entitled to pre-judgment interest on the \$2,511.25 from January 7, 2020, the date of the invoice, to the date of this decision. This equals \$35.68.
19. Under section 49 of the CRTA and CRT rules, the CRT will generally order an unsuccessful party to reimburse a successful party for CRT fees and reasonable dispute-related expenses. I see no reason in this case not to follow that general rule. Since Saran was successful, I find that it is entitled to reimbursement of \$125 in CRT fees from 089. Saran did not request reimbursement of dispute-related expenses. I dismiss Mr. Singh's claim for reimbursement of CRT fees as he was unsuccessful in his counterclaim.

ORDERS

20. Within 30 days of the date of this order, I order 089 to pay Saran a total of \$2,671.93, broken down as follows:
 - a. \$2,511.25 in debt for unpaid work,
 - b. \$35.68 in pre-judgment COIA interest, and
 - c. \$125 in CRT fees.
21. I dismiss Saran's claim against Mr. Singh.
22. I dismiss Mr. Singh's counterclaim.
23. Saran is entitled to post-judgment interest from 089, as applicable.
24. Under section 48 of the CRTA, the CRT will not provide the parties with the Order giving final effect to this decision until the time for making a notice of objection under section 56.1(2) has expired and no notice of objection has been made. The time for filing a notice of objection is 28 days after the party receives notice of the CRT's final decision. The Province of British Columbia has enacted a provision under the *COVID-19 Related Measures Act* which says that statutory decision makers, like the CRT, may waive, extend or suspend mandatory time periods. This provision is in effect until 90 days after June 30, 2021, which is the date of the end of the state of emergency declared on March 18, 2020, but the Province may shorten or extend the 90-day timeline at any time. A party should contact the CRT as soon as possible if they want to ask the CRT to consider waiving, suspending or extending the mandatory time to file a Notice of Objection to a small claims dispute.

25. Under section 58.1 of the CRTA, a validated copy of the CRT's order can be enforced through the Provincial Court of British Columbia. A CRT order can only be enforced if it is an approved consent resolution order, or, if no objection has been made and the time for filing a notice of objection has passed. Once filed, a CRT order has the same force and effect as an order of the Provincial Court of British Columbia.

Richard McAndrew, Tribunal Member