



# Civil Resolution Tribunal

Date Issued: May 29, 2024

Files: SC-2023-000815  
and SC-CC-2023-008495

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *Sran v. Krestview Design Inc.*, 2024 BCCRT 489

B E T W E E N :

INDERJIT SINGH SRAN

**APPLICANT**

A N D :

KRESTVIEW DESIGN INC.

**RESPONDENT**

A N D :

INDERJIT SINGH SRAN

**RESPONDENT BY COUNTERCLAIM**

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**REASONS FOR DECISION**

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Tribunal Member:

Nav Shukla

## **INTRODUCTION**

1. This decision involves two linked disputes about design services. I find the disputes are a claim and counterclaim between the same parties. So, I have issued one decision for both disputes.
2. In dispute SC-2023-000815, Inderjit Singh Sran says he paid Krestview Design Inc. (Krestview) a \$2,000 deposit to design plans for a 3-storey house he was looking to build. Mr. Sran says that Krestview's initial conceptual plans did not meet his requirements, so he decided not to proceed further and asked for his deposit back. Krestview did not return his deposit and instead sent him a \$2,709 invoice. Mr. Sran says Krestview overcharged him and seeks \$1,850 of the \$2,000 deposit back. He is self-represented.
3. In dispute SC-CC-2023-008495, Krestview claims \$709 for the balance owing under its outstanding invoice. Krestview is represented by its owner, GM.

## **JURISDICTION AND PROCEDURE**

4. These are the formal written reasons of the Civil Resolution Tribunal (CRT). The CRT has jurisdiction over small claims brought under section 118 of the *Civil Resolution Tribunal Act* (CRTA). CRTA section 2 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.
5. CRTA section 39 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 and that an oral hearing is not necessary.
6. CRTA section 42 says the CRT may accept as evidence information that it considers relevant, necessary and appropriate, whether or not the information would be admissible in court.

7. Where permitted by CRTA section 118, in resolving a 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**

8. The issues in these disputes are:
  - a. Must Krestview return \$1,850 of the \$2,000 deposit, or some other amount, to Mr. Sran?
  - b. If not, is Krestview entitled to the claimed \$709, or some other amount, for the design work it did for Mr. Sran?

## **EVIDENCE AND ANALYSIS**

9. In a civil proceeding like this one, Mr. Sran must prove his claims on a balance of probabilities, meaning more likely than not. Krestview must prove its counterclaim to the same standard. I have considered all the parties' submissions and evidence but refer only to the evidence and argument that I find relevant to provide context for my decision.
10. Mr. Sran first contacted GM in January 2022 to inquire about potentially hiring Krestview to design plans for his home. The evidence shows that Mr. Sran first hired another design company who provided him with final plans in March 2022. Following this, Mr. Sran contacted Krestview again in April, presumably because he was not fully satisfied with the final plans he had received from the other design company. Mr. Sran and GM met on April 11 and the parties agreed that Krestview would design new plans for Mr. Sran's home. In an April 12 text message, GM asked Mr. Sran to e-transfer \$2,000 for a "design process fee" based on \$0.80 per square foot. Mr. Sran sent the \$2,000 e-transfer the next day. It is clear from the parties' written arguments that both parties understood and agreed that Krestview would charge Mr. Sran \$0.80 per square foot for the final plans. Krestview says that the parties also agreed that

Mr. Sran would pay \$350 for a 3D rendering. Mr. Sran argues the 3D rendering was included in the \$0.80 per square foot price. As Krestview undisputedly did not prepare a 3D rendering, I find it unnecessary to decide whether the \$0.80 per square foot price included the 3D rendering.

11. On April 18, after attempting to contact GM by phone, Mr. Sran messaged GM to remind Krestview to “kick start” the design work for his home. GM and Mr. Sran met the next day for Mr. Sran to review Krestview’s conceptual drawings for the main and second floor. Mr. Sran left the meeting and told GM that he would discuss the plans with his family. Mr. Sran says he told GM not to do any further work at that point. Krestview disputes this and says Mr. Sran never told it to pause the project while he discussed the plans with his family.
12. On April 26, GM messaged Mr. Sran asking for any updates on the plans. Mr. Sran responded that he had decided to go with the plans from the previous design company. In later text messages, Mr. Sran asked Krestview to return his \$2,000 deposit. Krestview did not do so. Instead, Krestview sent Mr. Sran its May 13 invoice for the work it had completed at a rate of \$0.60 per square foot for 4,300 square feet, totaling \$2,709. After deducting the initial \$2,000 payment, Krestview’s invoice stated Mr. Sran still owed \$709.
13. Mr. Sran argues that Krestview overcharged him. He says that Krestview only did a fraction of the contracted work, and the \$0.60 per square foot rate is too high. Krestview, on the other hand, argues that it spent considerable time and effort to create initial sketches and the computer-generated conceptual plans. It says that Mr. Sran never informed it of any issues he had with the conceptual plans, and it would have happily made any requested changes.
14. I find the parties had a binding agreement for Krestview to provide Mr. Sran with final design plans for his 3-storey home at a price of \$0.80 per square foot. Mr. Sran essentially argues that the conceptual plans Krestview showed him on April 19 failed to meet two of his main requirements entitling him to terminate the parties’ agreement. First, he says that he told Krestview that he wanted to have maximum access to the

view from the backside of his house from both floors. Second, he says that he told Krestview he needed a two-bedroom senior suite on the main floor. Mr. Sran argues Krestview's conceptual plans had neither.

15. For the reasons that follow, I find it unproven that Krestview's conceptual plans were so deficient that it amounted to a fundamental breach, entitling Mr. Sran to terminate the parties' agreement. First, other than his own assertions, there is no evidence that Mr. Sran informed Krestview about these two alleged requirements. More notably, there is also no suggestion in the evidence that Mr. Sran told Krestview that he thought its conceptual drawings were deficient or lacking in any way. Rather, as noted above, Mr. Sran told Krestview that he had simply decided to go with the plans he already had. So, even if Mr. Sran had informed Krestview about these two requirements and the conceptual drawings did not include them, I find Mr. Sran did not give Krestview a reasonable opportunity to amend the plans before terminating the parties' agreement.
16. Under the circumstances, I find that Mr. Sran repudiated the parties' contract when he told Krestview on April 26 that he did not intend to proceed further with its services. A repudiation occurs when a party refuses to purchase what was bargained for. Where a party repudiates a contract, the innocent party may accept the repudiation and bring the contract to an end, discharging the parties from their future obligations. However, each party is still responsible for obligations that have already matured (see *Guarantee Co. of North American v. Gordon Capital Corp.*, 1999 CanLII 664 (SCC)). Further, as the innocent party, Krestview is entitled to seek damages for Mr. Sran's repudiation. Here, Krestview seeks payment for the conceptual plans for the main and second floor that it charged for in its May 13 invoice. As Krestview completed these plans before Mr. Sran repudiated the contract, I find it is entitled to be paid for this work. The question is, how much?
17. As mentioned above, the parties agreed on a \$0.80 per square foot price for the final design plans. The parties did not discuss or agree on a price for Krestview's initial conceptual plans for the main and second floor. Based on Krestview's calculations in

evidence, which I accept, the main floor in its drawings is 2,329 square feet and the second floor is 1,936 square feet, together totaling 4,265 square feet. In its May 13 invoice, Krestview charged Mr. Sran for 4,300 square feet at \$0.60 per square foot. Mr. Sran says this is too high, especially given that the other design company charged him \$0.75 per square foot for the final plans for 6,964 square feet.

18. Krestview did not provide time records or an estimate of how long it spent on the drawings. However, based on the sketches and plans in evidence, I find it likely that the conceptual plans took substantial time and effort to produce. While Mr. Sran argues the conceptual plans are worth only \$150, he provided no evidence of what price similar conceptual drawings could be produced for. However, I agree with Mr. Sran that \$0.60 per square foot for an initial conceptual design is high, given Krestview's \$0.80 per square foot price for the final product, which I find would have taken considerable further work to produce from Krestview's conceptual drawings.
19. On a judgment basis, I find \$0.45 per square foot is a reasonable rate for the conceptual plans Krestview completed. Based on Krestview's calculations of 4,265 square feet for the main and second floor, I find it is entitled to \$1,919.25 plus GST, which equals \$2,015.21. To the extent Krestview argues that it is entitled to be paid for additional work it did for the conceptual plans for the basement, I disagree. Krestview's counterclaim is for payment of its outstanding invoice, which I find charged for its work on the conceptual plans for the main and second floor only. Since Krestview did not charge Mr. Sran for any further work, I make no orders for any additional amounts.
20. As Mr. Sran has already paid Krestview \$2,000, I order him to pay the remaining \$15.21. It follows that I dismiss Mr. Sran's claim for any portion of the deposit's return.
21. The *Court Order Interest Act* (COIA) applies to the CRT. Krestview is entitled to pre-judgment interest on the \$15.21 from May 13, 2022, the date of its invoice, to the date of this decision. This equals \$1.18.

22. Under CRTA section 49 and the CRT rules, the CRT will generally order an unsuccessful party to reimburse a successful party for CRT fees and reasonable dispute-related expenses. As the more successful party, I find Krestview is entitled to \$75 for its paid CRT fees. Since Mr. Sran was unsuccessful, he is not entitled to any reimbursement for CRT fees. Neither party claims any dispute-related expenses, so I award none.

## **ORDERS**

23. Within 14 days of the date of this decision, I order Mr. Sran to pay Krestview a total of \$91.39, broken down as follows:

- a. \$15.21 in debt for the unpaid design work,
- b. \$1.18 in pre-judgment interest under the COIA, and
- c. \$75 in CRT fees.

24. Krestview is entitled to post-judgment interest, as applicable.

25. The parties' remaining claims are dismissed.

26. This is a validated decision and order. 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. Once filed, a CRT order has the same force and effect as an order of the Provincial Court of British Columbia.

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Nav Shukla, Tribunal Member