

# Economic Evictions



## What is an economic eviction?

Economic evictions happen when a landlord tries to evict a tenant by raising the rent. Alberta's *Residential Tenancies Act* doesn't limit how much rent can increase. However, there is developing **case law** in Alberta that says landlords cannot raise rent to indirectly evict a tenant. The courts and Residential Tenancy Dispute Resolution Service (RTDRS) may void rent increases in such situations.

*Did you know? Both **legislation** and **common law** are sources of law in Canada's legal system.*

**Legislation** is written rules. Elected officials from all levels of government create legislation that applies within a government's jurisdiction.

**Common law** (also known as "**case law**") is the interpretation of legislation by the courts. So, even if there are no rules about something in legislation, there can be rules in case law.

## What should tenants watch out for when they get a rent increase notice?

You may not know the signs of a possible economic eviction as a tenant. Even if the landlord follows all the proper rent increase rules — for example, giving you 3 months' notice for a periodic tenancy and their rent increase notice has all the required information, that doesn't mean the increase is always valid.

If you get a **notice of rent increase**, ask yourself:

- How much is the rent increase? Was it large?
- Has anyone else in your building received a similar increase? How much was it? Was it the same or less?
- How's your relationship been with the landlord? Have they tried evicting you before?
- Did the landlord give you a reason for the increase? For example, have there been changes to the market rate for rent or perhaps upgrades to the unit or building?

### ***Signs of a possible economic eviction:***

- *A significant increase, especially if it seems much higher than average or expected.*
- *Your landlord seems to be singling you out for a rent increase.*
- *Your landlord has a motive for increasing your rent. For example, maybe you have ongoing disagreements, or they have tried evicting you before.*
- *There is no reason for the rent increase.*

It's not always easy to spot the signs of a possible economic eviction. Sometimes, a landlord may try to indirectly evict all or many tenants in a building by raising rent significantly. This can be a way to get everyone out so that they can renovate the building and re-rent units at a higher rent (also known as a "renoviction"). If all or most tenants in a building get a significant rent increase that doesn't reflect the condition of the building or what similar places and locations are renting for, it could be a sign of an economic eviction. **If you or your neighbours are unsure whether you are facing an economic eviction, get legal help.**

# What can tenants do if they think they are facing an economic eviction?

You have a few options as a tenant, but timing is important. We are not advising you to choose either of these options or prioritize one over the other. However, when you receive a notice of rent increase and believe you are facing an economic eviction, here's what you can do:

## OPTION 1

### Decide what's right for you — how to respond to a rent increase

Getting a large rent increase can feel upsetting or unfair — especially if it seems like the landlord is trying to push you out without formally evicting you. You may feel frustrated, stressed, or overwhelmed. All of these feelings are valid.

Before deciding how to respond to a notice of rent increase, take a moment to think about what feels right for you right now.

You may have your own reasons for deciding to stay and pay the higher rent. Or, if your lease is ending soon, this might be an opportunity to think about whether this is still the right home for you — or whether it's time to look for a new place to rent.

You can also think about whether you have the time, energy, and emotional space to deal with a possible legal process — such as an RTDRS hearing (if you refuse to pay the higher rent) or make a rent abatement application (if you do). You might choose to dispute the rent increase.

There's no right or wrong answer. Only you can decide what works best for your situation.

**TIP:** If you get a notice of rent increase and need legal help, community legal clinics can help you at no cost as long as you meet their eligibility guidelines. For a list of where to get legal help, refer to CPLEA's Get Legal Help in Alberta page: [www.cplea.ca/legalhelp/](http://www.cplea.ca/legalhelp/)

## OPTION 2

### Explain to your landlord why it's invalid, pay the higher rent, then make a rent abatement application

1. Send a written notice right away to your landlord, explaining that you don't think it's a valid rent increase notice and that you think it's an economic eviction.

*For example, you can write, "I don't think this is a valid rent increase notice as I think it's an economic eviction and invalid under common law."*

**TIP:** To learn more about rent increase rules, refer to the following CPLEA resources:

- Notice of Rent Increase  
[www.landlordandtenant.org/notices/rent-increase/](http://www.landlordandtenant.org/notices/rent-increase/)
- FAQ – What happens if the Notice of Rent Increase does not include all the required information?  
[www.landlordandtenant.org/notice-of-rent-increase-incomplete/](http://www.landlordandtenant.org/notice-of-rent-increase-incomplete/)

2. If the landlord does not reduce the rent increase and the increase has already come into effect, you can pay the higher rent. If you do pay the higher rent, you can promptly make an application to the RTDRS or court for a reduction (abatement) of rent.

3. When your matter goes to the RTDRS or court, the **decision-maker** will assess the validity of the rent increase.

*If your matter goes to the RTDRS, a **Tenancy Dispute Officer** will decide on it (this is also known as "adjudicate" the matter).*

*If your matter goes to court, a **judge** will decide on it.*

**TIP:** The Government of Alberta's website provides more information, including a step-by-step guide, on how to make an RTDRS application: [www.alberta.ca/rtdrs-apply](http://www.alberta.ca/rtdrs-apply)

## OPTION 3

### Refuse to pay the increased amount of rent, explaining to your landlord why it's invalid

1. Send a written notice right away to your landlord, explaining that you don't think it's a valid rent increase notice and that you think it's an economic eviction, but don't pay the increased amount of rent. However, keep paying your current rent.

*For example, you can write, "I don't think this is a valid rent increase notice as I think it's an economic eviction and invalid under common law."*

2. If the increase has already come into effect and you have only paid the pre-increase amount, the landlord may respond. They may respond by reissuing a different notice of rent increase, or they may decide to end your tenancy for not paying the full amount, with a notice of termination for non-payment of rent.

3. If the landlord ends your tenancy, you can object in writing to the notice of termination for non-payment of rent.

*For example, you can write, "I've paid my rent, I'm not in arrears, and this is an invalid rent increase notice. Therefore, I'm not paying the rest of it."*

**TIP:** You don't have to move out if your landlord serves you a notice of termination for non-payment of rent and you disagree with their reasons for ending your tenancy. You have the right to a hearing at the RTDRS or court, where you can explain your side in front of a decision-maker.

4. If your matter goes to the RTDRS or court, you can raise economic eviction as a defence. The **decision-maker** will assess the validity of the rent increase.

**CAUTION:** Waiting to defend yourself can be risky; if you lose, you may be evicted and/or ordered to pay rental arrears (what you owe in rent).

## How do the courts and RTDRS decide whether there is an economic eviction?

To determine whether there is an economic eviction, the courts and RTDRS will look at various factors, including:

- Does the landlord have a motive to evict the tenant? The relationship between the landlord and tenant, or other circumstances, may show that the landlord has a motive to evict the tenant.
- Is the rent increase part of a broader increase for all tenants?
- Is the landlord singling out the tenant?
- Is the rent increase higher than for similar units in a similar location (for example, other similar units in the same building)?
- Does the landlord have a reason for the rent increase (for example, market rental rates or upgrades to the building or unit)?

A significant rent increase by itself is not enough to be an economic eviction. The courts and RTDRS look at the factors listed above and the specific situation in making their decision.

## General tips

- ***Gather information***  
Talk to other tenants in your building. Ask if they have similar rent increases. Gather information from rental websites and classifieds on market rates for comparable units and buildings in your location.
- ***Write things down***  
Keep all records of your communication with your landlord, including any notices and messages.
- ***Know your rights***  
As soon as you get a notice of rent increase, do not delay in dealing with it. Learn more about rent increase rules in Alberta. If you think your notice of rent increase is invalid because there are signs that you are facing an economic eviction, know your options for dealing with it.
- ***Explain clearly***  
Whether you are applying to the RTDRS or responding to a landlord's notice, explain why you think the rent increase is invalid and include supporting information for your situation.
- ***Get legal help***  
For more information on what legal help is available in your area, visit CPLEA's Get legal help in Alberta webpage.

## Resources

**For more information on renting laws in Alberta**, refer to CPLEA's Laws for Landlords and Tenants website: [www.landlordandtenant.org](http://www.landlordandtenant.org)

**For a list of where to get legal help**, refer to CPLEA's Get Legal Help in Alberta page: [www.cplea.ca/legalhelp/](http://www.cplea.ca/legalhelp/)

**To learn more about the history of economic evictions caselaw and how it's evolved**, refer to the following articles:

- Tim Patterson, "Economic Evictions in a Residential Tenancy" (October 30, 2018)  
[eclaccessreview.wordpress.com/2018/10/30/economic-evictions-in-a-residential-tenancy/](http://eclaccessreview.wordpress.com/2018/10/30/economic-evictions-in-a-residential-tenancy/)
- Jonette Watson Hamilton, "Constraining a Landlord's Ability to Terminate a Residential Tenancy by Raising the Rent" (May 15, 2014)  
[ablawg.ca/2014/05/15/constraining-a-landlords-ability-to-terminate-a-residential-tenancy-by-raising-the-rent/](http://ablawg.ca/2014/05/15/constraining-a-landlords-ability-to-terminate-a-residential-tenancy-by-raising-the-rent/)

CanLII

"economic evictions" and "Alberta"

Case name, document title, file number, author or citation

Noteup/Discussion: cited case names, legislation titles, citations or dockets

**TIP:** You can search for caselaw on "economic evictions" on [www.canlii.org](http://www.canlii.org) which provides free access to judicial decisions in Canada.

For example, you can type "economic evictions" and "Alberta" in the document text box and get a list of published decisions. Not all RTDRS decisions are published, but they can give you an idea of how economic eviction cases have been decided.

## Residential Tenancy Dispute Resolution Service (RTDRS)

The RTDRS offers landlords and tenants an alternative means of resolving tenancy disputes outside of court.

Website: [www.servicealberta.ca/rtdrs/](http://www.servicealberta.ca/rtdrs/)

Email: [rtdrs@gov.ab.ca](mailto:rtdrs@gov.ab.ca)

Phone: 310-0000, then dial 780-644-3000

Thank you to:

- Edmonton Community Legal Centre  
[www.eclc.ca](http://www.eclc.ca)
- Calgary Legal Guidance  
[clg.ab.ca](http://clg.ab.ca)
- Community Legal Clinic  
[communitylegalclinic.net](http://communitylegalclinic.net)

for their contributions to this resource.

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*You should NOT rely on this publication for legal advice.  
It provides general information on Alberta Law only.*

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