

Rent Increases

When increasing rent, landlords must follow Alberta's *Residential Tenancies Act* rules.

Periodic Tenancy

A periodic tenancy does not have a specific end date. It is usually monthly but can be weekly or any other periodic duration.

When a landlord can increase rent

A landlord can increase the rent when:

- 365 days have passed since the last rent increase or
- 365 days have passed since the start of the tenancy.

Written notice

The landlord must give written notice of the rent increase. The amount of notice depends on the length of the tenancy.

TENANCY LENGTH	TIME FOR LANDLORD TO SERVE WRITTEN NOTICE
Monthly periodic	At least three full tenancy months before rent increase date
Weekly periodic	At least 12 full tenancy weeks before rent increase date
Any other periodic tenancy length	At least 90 days before rent increase date

The written notice rules for periodic tenancies under the *Residential Tenancies Act* are strict. If a landlord does not serve notice on time, then the notice is ineffective in raising the rent. This means that the landlord must serve tenants with a new notice, and if a tenant has paid the increased rent already, they may be able to get some rent money back.

Notice contents

There are rules about what must be in the notice. For example, the notice must:

- be in writing
- have a date
- state when the increase will take effect and
- have the landlord's signature

The notice is ineffective if the above items are not there. The landlord must deliver the notice to the tenant personally or send it by registered or certified mail. If the tenant is not home, the landlord can serve the notice by giving it to an adult in the home or by posting it in a conspicuous place (for example, taped on the front door). If the landlord has not been able to serve using any of these methods, then the landlord can serve the notice electronically (for example, by fax or email). If the landlord can establish that attempts were made to serve the tenant in one of these ways, then the notice may still be valid even if the tenant did not see it.

How can a tenant object?

If the tenant does not want to pay the increased amount of rent, or if the tenant cannot afford to pay the increased rent, then the tenant can:

- try negotiating with the landlord to see if they can pay less rent or
- end the tenancy (the tenant must give the proper amount of notice to end the tenancy).

If the tenant remains living on the property, the tenant must pay the increased rent when it is due. If the tenant does not pay, the landlord can terminate the tenancy for non-payment of rent.

Fixed Term Tenancy

A fixed-term tenancy has a specified end date in the lease (for example, a one year lease). The following rules apply to increase the rent in a fixed-term tenancy.

When a landlord can increase rent

Like periodic tenancies, landlords must also follow the 365-day rule. This means a landlord can only increase the rent if 365 days have passed since the tenant moved in or since the last increase in rent.

If the 365th day falls during the term, the landlord must wait until the fixed-term agreement is over.

Example

If there is a one year fixed-term lease agreement in place (called "Lease 1"), then the landlord must wait until 365 days have passed since the tenant moved in to increase the rent. This means that if the tenant and landlord enter into another fixed-term tenancy ("Lease 2") after Lease 1 is up, then the landlord can increase the rent that is payable under Lease 2 because 365 days have passed since the tenant moved in.

If a 6-month lease ("Lease A") is in place and the landlord and the tenant agree to enter into another 6-month lease ("Lease B"), the landlord cannot increase the rent payable under Lease B because 365 days have not passed since the tenant moved in (only 6 months have passed since the tenant moved in).

If there is a 6-month lease in place and then a one year lease after that, the landlord has to wait until the one year lease is over before the rent can be increased. The 365th day falls halfway through the one year lease, so the landlord must wait until that lease is over to raise the rent.

Written notice

Unlike periodic tenancies, the landlord does not have to provide written notice of a rent increase. Before a fixed lease term ends, tenants and landlords should discuss what happens with rent. Any agreement about the rent amount should be in writing.

Rent Increase Amount

For both kinds of tenancies, there is no legislative limit on the amount that the landlord can raise the rent. However, there is developing case law in Alberta that says landlords cannot raise rent to indirectly evict a tenant (known as an "economic eviction"). The courts and Residential Tenancy Dispute Resolution Service (RTDRS) may void rent increases in such situations.

For more information on economic evictions and what tenants can possibly do in such a situation, refer to CPLEA's **Economic Evictions** publication.

Where can I get more information or help?

- For more information about renting in Alberta, visit CPLEA's **Laws for Landlords and Tenants** website: 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/
- **Law Society of Alberta Lawyer Directory**
This database allows people to find a lawyer using certain search criteria. Individuals can find a lawyer by name, location, practice areas, language(s) spoken, gender, and whether a lawyer offers limited-scope retainers.
www.lawsociety.ab.ca/public/findalawyer/