



Prince Edward Island  
Housing Corporation

2024-2025



ANNUAL  
REPORT

## Table of Contents

<b>Message from the Minister:</b> .....	<b>2</b>
<b>Overview</b> .....	<b>3</b>
Mandate:.....	3
Mission Statement: .....	3
Vision Statement: .....	3
Values:.....	4
<b>Legislative Responsibility</b> .....	<b>5</b>
<b>Chief Executive Officer’s Overview</b> .....	<b>6</b>
<b>Year in Review</b> .....	<b>7</b>
<i>Strategic Goal – Acceleration</i> .....	7
<i>Strategic Goal - Affordability</i> .....	8
<i>Strategic Goal - Vulnerability</i> .....	9
<b>Organizational Chart</b> .....	<b>11</b>
<b>Accountability Reporting - Overview and Results Reporting</b> .....	<b>12</b>
<b>Program Activity and Information:</b> .....	<b>13</b>
Social Housing Program .....	16
PEI Home Renovation Programs .....	20
PEI Home Heating Program .....	21
Supports for Islanders Experiencing Complex Needs.....	16
Supports to First Time Homeowners .....	20
Supports for Developers .....	21
Canada Mortgage and Housing Corporation.....	25
Community Partners .....	26
<b>Appendixes</b> .....	<b>29</b>
Appendix A – PEI Social Housing 2024-2025 .....	27
Appendix B- Social Housing Registry by Program .....	28
<b>Financial Information</b> .....	<b>29</b>
<b>Contact Information</b> .....	<b>51</b>

## Message from the Minister:

The Honourable Dr. Wassim Salamoun, O.P.E.I.,  
Lieutenant Governor of Prince Edward Island



May it please Your Honour:

As Minister responsible, I have the honour to submit herewith the Annual Report of the Prince Edward Island Housing Corporation for the fiscal year ended March 31, 2025.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'S. Myers', written in a cursive style.

Hon. Steven Myers  
Minister  
Housing, Land and Communities

## Overview

Prince Edward Island Housing Corporation (PEIHC) is a Crown corporation under the Ministry of Housing, Land and Communities (Department).

### Mandate:

The Prince Edward Island Housing Corporation (PEIHC) derives its authority from the *Housing Corporation Act*. The mandate of the PEIHC is to provide Islanders with low to moderate incomes with access to safe, affordable, and adequate housing across the housing continuum.

## The Housing Continuum Illustrated



### Mission Statement:

Building Together – Prince Edward Island Housing Strategy, 2024-2029 was released in early 2024. While this strategy is a comprehensive, all-of-government approach, the work was led by the Department and the Prince Edward Housing Corporation. PEIHC has adopted the strategy’s mission, vision and values as its own.

Strategic goals focus on **acceleration** to facilitate the growth of housing supply, **affordability** to provide more options for low-and medium-income Islanders, and **vulnerability** to support those who are most in need.

### Vision Statement:

All Islanders have access to adequate, affordable, and suitable housing.

Values:

<b>COMPASSION</b>	We empower and act with empathy, keeping the needs of Islanders in mind.	<b>01</b>
<b>COLLABORATION</b>	We work together – it takes all of us to meet the housing needs of Islanders.	<b>02</b>
<b>INFORMATION</b>	We strive to make decisions based on engagement, information, and housing needs.	<b>03</b>
<b>ADAPTABILITY</b>	We adjust and evolve by monitoring and evaluating the environment and initiatives.	<b>04</b>
<b>SUSTAINABILITY</b>	We include a sustainability lens in our decision-making.	<b>05</b>

The Government of Prince Edward Island has committed to prioritizing housing needs through investment in social and supportive housing, affordability supports, emergency shelters and outreach services through working across government and in collaboration with stakeholders, so all Islanders have a home.

## Legislative Responsibility

*Housing Corporation Act 1993 c. 10*

## Chief Executive Officer Overview

Minister Responsible for  
Prince Edward Island Housing Corporation  
Hon. Steven Myers  
Housing, Land and Communities



Minister Myers

I am pleased to submit the Annual Report of the Prince Edward Island Housing Corporation for the fiscal year ending March 31, 2025.

This annual report coupled with the 2024-2025 Progress Report on Building Together – Prince Edward Island Housing Strategy 2024-2029 provide a comprehensive review of our results and outcomes achieved along with the statutory reporting of the Corporation.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Cheryl Paynter', written over a faint horizontal line.

Cheryl Paynter, CPA CA, ICD.D  
Chief Executive Officer

## Year in Review

2024-2025 was the first full year of Building Together – Prince Edward Island Housing Strategy 2024-2029.

Below are some highlights specific to the Prince Edward Island Housing Corporation:

### *Strategic Goal – Acceleration*

The growth in housing supply has been significantly accelerated – housing starts across the province totaled nearly 1,700 units in 2024, the highest in over 50 years, and were driven by multi-unit starts. In winter 2025, PEI had the highest number of housing starts on record for that quarter. PEI also had record levels of investment in residential building construction.

Through collaboration of all three levels of government, PEIHC has undertaken Atlantic Canada's largest volumetric modular wood construction project in Charlottetown; 82 units primarily targeted towards seniors. A second similar volumetric modular construction building will follow in 2025-2026 with 63 units targeted to families.

PEIHC continues to explore innovative construction techniques with a 46-unit Seniors building constructed using a panelized construction method in Summerside.

Two new programs were developed to assist municipalities develop infrastructure for new lots and subdivisions during the reporting period. PEIHC and Finance PEI have worked together to provide complementary programs for developers:

- [Municipal Infrastructure Fund](#) (MIF) was launched in 2024-2025 and is administered through the Federation of PEI Municipalities and funded by PEIHC. Three applications were approved which will support the development of 102 serviced lots.
- The [Subdivision Development Financing Program](#) is a financing support pilot program that will help qualified developers offset infrastructure costs for long-term residential housing developments. This program will support projects funded through the [Municipal Infrastructure Fund](#) (MIF).

PEIHC renewed its partnership with Holland College for students to build an additional three housing units to support Islanders on the social housing registry.



### *Strategic Goal - Affordability*

There was an historic capital investment of \$63 million spent in FY2024/2025 to support the creation of new social housing units.

The Social Housing Registry was reduced to the smallest wait list in well over a decade, with a low of 389 as of March 31, 2025, as per Appendix B.

The Community Housing Expansion Pilot Program (CHEP) was launched to provide funding to the non-profit and co-operative housing sector to grow their housing capacity, and portfolios through both acquisitions and new construction. The pilot supported the acquisition of 116 units in 2024-25.

PEIHC added 149 new units to the Social Housing Inventory.

Through an investment of almost \$5,000,000 in funding, 458 Rent Supplement units were supported by the PEIHC.

PEI continues to make strides in investing in maintaining existing housing and shelter stock, in order to ensure their continued availability, with \$4,500,000 invested in FY2024/2025. Work is underway to complete the design of major electrical retrofits to remove oil-fired equipment in select buildings, completing efficiency and resiliency data collection on the entire building portfolio, and developing upgrade roadmaps for future capital repair projects. The Government of PEI has executed a funding agreement through the federal Environment and Climate Change Canada Low Carbon Economy Leadership Fund to support the completion of building upgrades/energy efficiency improvements in social housing units owned by PEIHC.

PEIHC supported 1,585 households through mobile rental vouchers, providing a financial contribution towards their rent cost in a private market unit. This represents an investment of approximately \$7,000,000.

PEIHC provided support to 595 households in making repairs to their homes through the PEI Home Renovation Program, with an investment of approximately \$4,500,000.

6,494 households were provided a financial contribution towards their home heating costs through the PEI Home Heating Program funded by the PEIHC and operated by the Salvation Army, representing an investment of \$7,941,000.

The PEIHC continues to support developers in increasing the amount of affordable and market housing on PEI:

- The **Community Housing Fund** had nine projects approved totaling approximately \$2,400,000 to support construction and planning for 33 units.
- In FY2024/2025, the **Affordable Housing Development Program** funded the creation of 5 affordable and 12 market units that were completed during the year, and approved funding for 72 additional affordable units and 230 market units.

### *Strategic Goal - Vulnerability*

The ten-bed low-barrier Summerside Emergency Shelter (SES) was opened in October 2024 by the PEIHC and is a first of its' kind hybrid operation with a government Operations Manager and day-to-day operations by The Equality Project Inc. The shelter provides overnight accommodations and laundry facilities, along with two meals a day. The SES is gender-inclusive and can support singles, couples and people with pets.

PEIHC opened an 11-unit supportive housing building in Montague.

PEIHC has two supportive housing buildings under construction in Charlottetown, which will provide an additional 24 supportive housing units. A 13-unit building on Weymouth Street will be completed in the Fall of 2025 and an additional 11 units on Hillsborough Street will be completed in 2026.

PEIHC has received funding from Housing, Infrastructure and Communities Canada through the Unsheltered Homelessness and Encampments Initiative that will assist in the construction of some of these supportive housing units and has accessed additional federal funds through the Affordable Housing Fund.

Operational funding was provided to the Boys and Girls Club Summerside Inc. (BGC Prince County) to support ten transitional housing units that opened in 2024-2025.

Funding was also provided to the Boys and Girls Club Summerside Inc. (BGC Prince County) to support LifeHouse's construction of a 24-unit affordable housing complex as well as supporting operations. The construction of the building is scheduled to be completed in 2025.

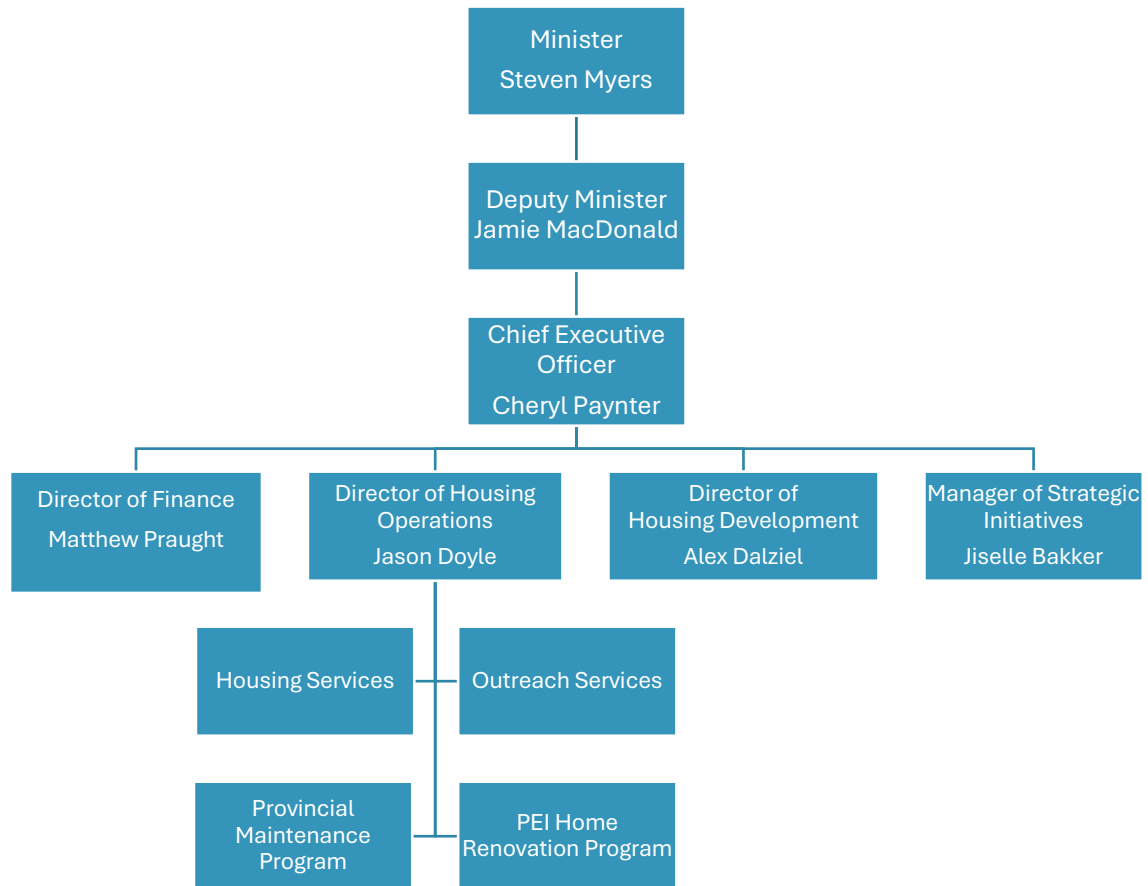
PEIHC is in the development phase of the launch of a Housing First pilot project to help support the most vulnerable Islanders experiencing homelessness.

Preliminary recommendations for “Enhancing the System of Care for Islanders Experiencing Complex Issues,” were released in June 2024, with final recommendations released subsequent to March 31, 2025.

Work has been initiated on enhancing service delivery through the Minister’s Task Force for the System of Care for Complex Populations and a Community Action Committee on System of Care for Complex Populations. Consultation with other national and international jurisdictions regarding best practices for supporting individuals with complex needs was conducted. Baseline surveying on Housing First was initiated with UPEI.

The John Howard Society, in collaboration with the Province and community partner organizations, completed the first ever province-wide Point-in-Time Count in October 2024 to better understand the number of homeless Islanders.

## Organizational Chart



Staffing Summary	Numbers
Permanent staff	156
Casual Staff	31

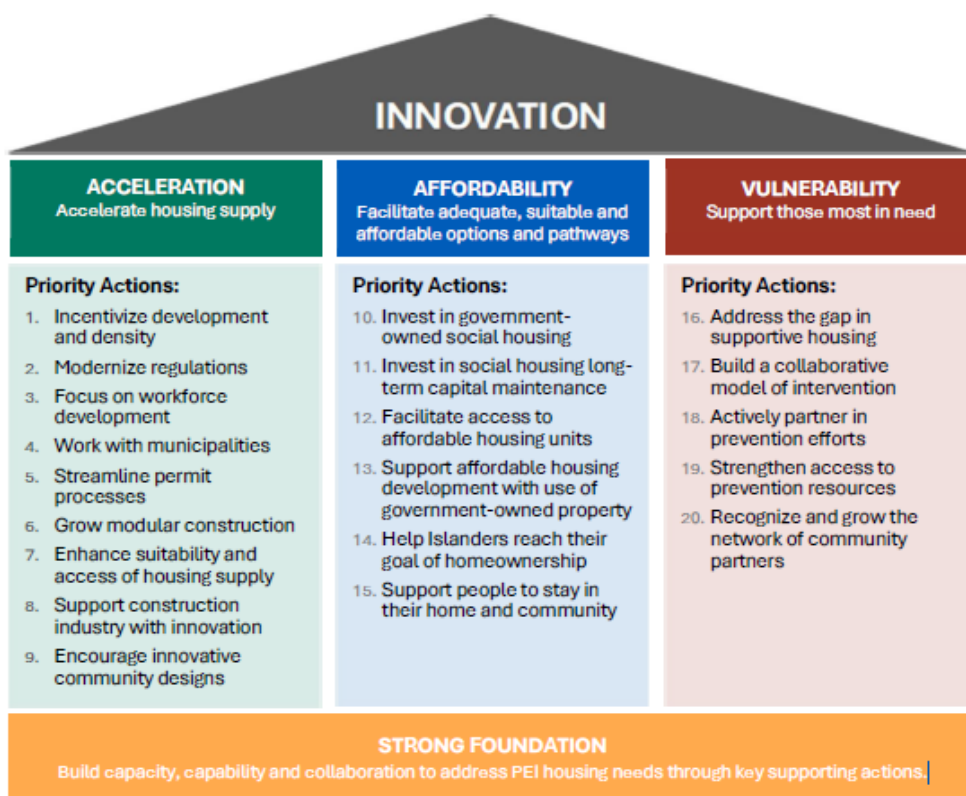
## Accountability Reporting - Overview and Results Reporting

“[Building Together – Prince Edward Island Housing Strategy, 2024-2029](#)” was launched in February 2024.

The goals of the strategy are:

- Accelerate the housing supply to support the anticipated population growth and stimulate a strong and vibrant housing market.
- Facilitate adequate, suitable and affordable housing options and pathways for Islanders to have a home
- Support those most in need of access to appropriate housing and supports.

The first progress report on the Housing Strategy, covering fiscal year 2024-2025, can be found [online](#). This first annual progress report contains an assessment of changes to the housing context since the Housing Strategy was launched, and highlights progress toward achieving stated targets. Future progress reports will be combined with the Prince Edward Island Housing Corporation’s (PEIHC) annual report.



## Program Activity and Information:

### Social Housing Program

PEIHC's Social Housing Program provides housing to seniors and families with rental rates calculated using a rent geared to income ("RGI") approach at 25 percent of annual gross household income. Different types of support are available:

- The [Seniors Housing Program](#) is available to households that have a primary applicant aged 60 or older or aged 55 and older with a permanent disability. Senior Island residents without adequate housing or having increasing difficulty maintaining their home due to low to medium household income, poor housing conditions, or other special circumstances that restricts their independence may be eligible for rental assistance through the Seniors Housing Program.
- The [Family Housing Program](#) is available to Island families and individuals unable to obtain or maintain adequate housing due to a low to medium household income, poor housing conditions, or other special circumstances. This program is administered both by Family Housing Authority Boards and Housing Services. There are nine [Family Housing Authorities](#) that oversee rental and management of 460 family housing units across the province. They are comprised of six to eight members that include a

chairperson, vice chairperson, secretary, and treasurer. They are located in Charlottetown, Summerside, Souris, Georgetown, Montague, Mount Stewart, O’Leary, Tignish, and Alberton.

- The Rent Supplement Program consists of units that are built and owned by the private sector but leased by the PEIHC to serve clients of the Social Housing Program across the Island. These units are available to seniors or families depending on the building.
- Mobile Rental Vouchers/Canada Housing Benefit provide housing affordability to households currently renting from landlords of their choice in the private housing market. Through a joint investment with CMHC, PEI operates the PEI-Canada Housing Benefit, which provides financial assistance to low-to moderate income seniors, families and/or individuals who require assistance with rental costs across the Island.

In 2023-2024, the federal and provincial governments announced an enhancement to the Canada Housing Benefit (CHB) that provides financial support for Survivors of Gender-Based Violence. The enhanced program will assist not only with rent and damage deposit assistance but may also support survivors who are homeowners with items such as mortgage payments and property taxes.

## Social Housing Program – Statistical Indicators

	2021-22	2022-23	2023-24	2024-25
PEIHC Owned Units ( <b>See Appendix A</b> )	1,685	1,734	1,876	2,025
Units with Rent Supplements (#)	461	435	448	458
Mobile Rental Voucher Recipients (#)	1,270	1,635	1,635	1,585
Placements in PEIHC Owned Units	274	296	341	372
Social Housing Registry (See Appendix B)	463	426	551	389
Unit Turnover Rates - PEIHC Owned Units	16.20%	17.07%	18.18%	18.37%

Source: PEIHC

## PEI Home Renovation Programs

PEIHC manages, administers and funds the PEI Home Renovation Programs. This suite of programs provides funding for major renovations to qualified homeowners with a net household income of less than \$50,000 so they can bring their property up to minimum health and safety standards and to support senior Islanders to age in place helping them

stay close to family and community. Eligible property owners receive a grant provided they meet program criteria including remaining in the home for three years after the renovations have been made.

Programs include:

- Home Renovation Program - provides assistance to low-income homeowners to cover the cost of major structural renovations to their homes for eligible renovations to the structure, heating, plumbing, and electrical systems, or to improve life safety. In the case of an applicant with a permanent disability, renovations may improve the accessibility of the house.
- Seniors Home Repair Program - provides assistance to households with a property owner aged 60 or older to help with the cost of repairs to their home, such as repairs to a roof, windows, doors, or a furnace.
- Seniors Safe at Home Program - provides assistance to households with a property owner aged 60 or older to make changes to their home in order to improve its accessibility to continue living there. The modifications must be necessary to maintain accessibility, health, and safety and must relate to the senior applicant's loss of ability and must provide improved access or increased physical safety to the home.

Work is underway to streamline processes for the PEI Home Renovation programs through Lean Six Sigma and the introduction of an Electronic Customer Relationship Management system.

## PEI Home Renovations Programs – Statistical Indicators

	2021-22	2022-23	2023-24	2024-25
Total Grants Issued	\$4,474,500	\$5,993,181	\$5,304,836	\$4,522,000
Total Approved Budget	\$2,715,300	\$3,215,300	\$5,150,300	\$5,150,300
Applications Approved	1,436	1,472	1,221	1,134
Unique Households Supported	596	784	705	595
Average Household Income	\$32,767	\$33,961	\$35,271	\$37,063
Average Grant – Home Renovation	\$5,352	\$5,495	\$5,423	\$5,288
Average Grant – Renovation: Persons with Disabilities	\$6,616	\$10,016	\$8,266	\$10,260



Average Grant – Seniors Safe at Home	\$5,492	\$5,948	\$5,493	\$5,987
Average Grant – Seniors Home Repair Program	\$2,711	\$2,779	\$2,827	\$2,822
Average Number in Household	1.6	1.6	1.5	1.6
Average Age of Applicant	66	67	67	68

\*In past Annual Reports, the Total Budget reflected the total budget spent. Total Approved Budget, as well as Total Spend are now reflected in the report. Minor corrections were made numbers to previous fiscal years.

## PEI Home Heating Program

The [PEI Home Heating Program](#) provides financial support to households who are experiencing challenges in affording heat for their homes. The Salvation Army operates this program with funding from PEIHC.

	2021-22	2022-23	2023-24	2024-25
Households approved (#)	605	4,005	6,582	6,494
Funds disbursed to households (\$000s)	\$389	\$4,596	\$7,336	\$7,941

## Supports for Islanders Experiencing Complex Needs

PEIHC continues to make investments in [emergency shelters, supportive housing and outreach services](#). The vision for complex care individuals on Prince Edward Island is to have a place where complex islanders experiencing homelessness can be stabilized and housed so that their other needs can be addressed in a holistic way.

This includes prevention and diversion of individuals before they enter homelessness, providing emergency supports for people experiencing homelessness, supporting individuals to access services to mitigate barriers to housing, and growing the complement of supportive housing units, while working toward a housing first approach.

## Emergency Shelters

The PEIHC owns and operates the 50 bed Park Street Emergency Shelter in Charlottetown, as well as, the new ten bed Summerside Emergency Shelter (SES), located at Frank Mellish Drive, which was opened in October 2024. Both have accessible units, are gender inclusive and are available for anyone 18 years or older.

The PEIHC provides funding towards the operation of other Shelters on PEI:

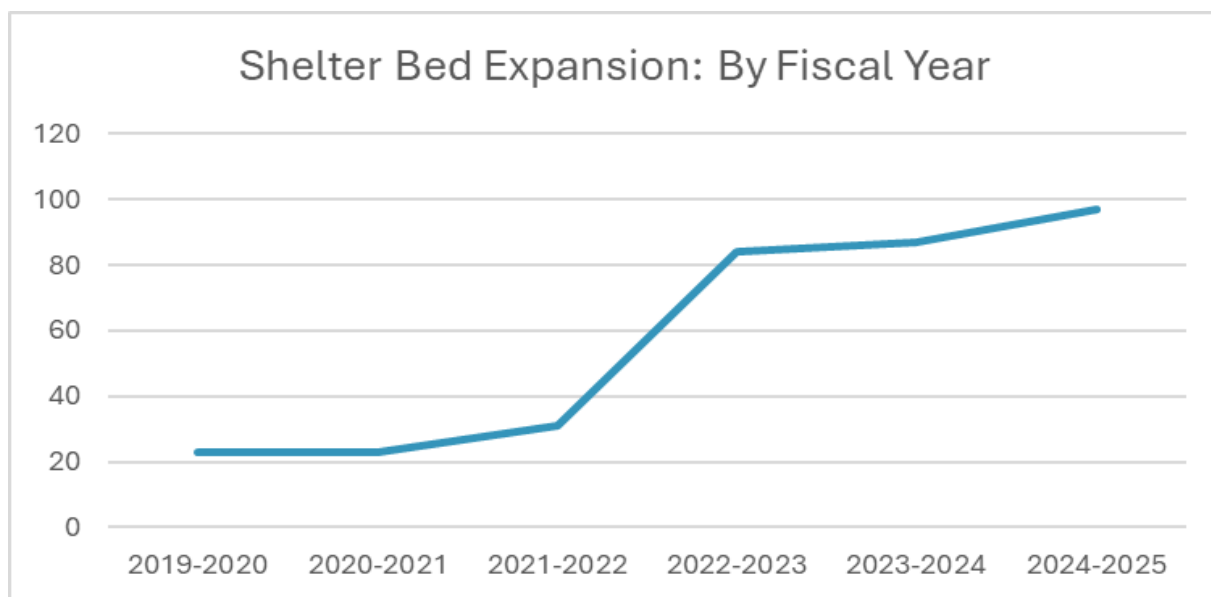
- Bedford MacDonald House, located in Charlottetown, is a 10-bed emergency shelter for male identifying individuals 18 years of age and older. The emergency shelter is operated by the Salvation Army to support individuals experiencing homelessness seven days a week, 12 hours a day from 8:00pm to 8:00am.
- Blooming House Women's Shelter Inc. (Blooming House) is a registered charity, and non-profit organization, whose primary goal is to provide safe overnight shelter for female identifying individuals in the Charlottetown area. It operates as an eight-bed low-barrier, harm reduction, overnight shelter from 4:00pm to 8:00am daily.
- Boys and Girls Club Summerside Inc. (BGC Prince County) operate the LifeHouse Emergency Shelter providing 24/7 emergency shelter and transitional home for women and children in Summerside and surrounding areas. The emergency shelter includes four rooms with multiple beds per room for up to eight women and children.
- Native Council of PEI operates the ten-bed Winter Street Emergency Shelter 24/7 in Summerside. This low-barrier shelter provides safe accommodations and supports to Indigenous and non-Indigenous male-identifying adults aged 18 and older who are experiencing homelessness and/or in vulnerable living arrangements.
- The Chief Mary Bernard's Memorial Women's Shelter on Lennox Island is a five-bed shelter for women in distress, women without housing, or for young mothers who need extra support. Aboriginal and non-aboriginal women and their children who are experiencing family violence may also find safe and supportive housing through this Shelter.

## Emergency Shelter Utilization Numbers - 2024-25

Shelter Name	Beds	2024-25 Utilization Rates
Park Street	50	92%
Summerside	10	94%
Bedford MacDonald House	10	68%
Blooming House	8	90%
LifeHouse	4	64%
Winter Street	10	78%
Chief Mary Bernard*	5	Not available

Source: PEIHC, based on information submitted by shelter operators. Shelters included are those owned and/or receiving operational funding from PEIHC: Note that some facilities only opened part way through a FY therefore the % utilization reflect the timeframe that the facility was operational.

## Shelter Bed Expansion by Fiscal Year



## Transitional and Supportive Housing

To address the gap in supportive housing, there have been substantive new investments made to increase the number of transitional and supportive housing units in 2024-25.

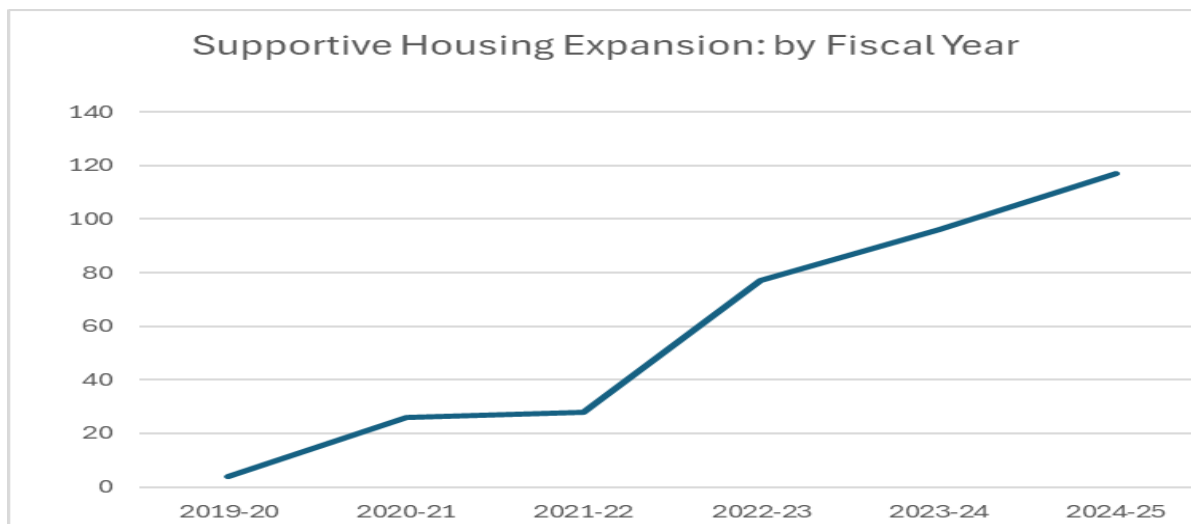
PEIHC opened eight supportive housing units in Charlottetown. PEIHC provides operating funding to the John Howard Society to provide case management support to the tenants of eight supportive housing units in Charlottetown.

PEIHC also provides operating funding to the Salvation Army for New Roots Transitional Housing, located in Charlottetown. This is an 18-bed building owned by the PEIHC and operated as transitional housing. This housing provides a safe, secure and supportive environment for vulnerable, difficult to house populations often with complex needs. It bridges the gap between homelessness and permanent housing by offering accommodation with individualized support to help tenants be successful in maintaining their tenancies.

Beach Grove Supportive Housing is a Charlottetown based facility with 20 units, including ten units for women fleeing domestic violence and ten units for youth who have aged out of care. The PEIHC continues to work with Social Development and Seniors and Family Violence Prevention Services to offer transitional supports to youth aging out of care.

The Canadian Mental Health Association also receives funding from the PEIHC to operate 49 transitional housing units and Housing First units in Charlottetown and Alberton.

### Supportive Housing Expansion: By Fiscal Year



### Community Outreach Centre

PEIHC provides operating funding to The Adventure Group Inc. to support the operation of the Community Outreach Centre (COC), located in Charlottetown, providing support seven days per week, 12 hours per day (8am-8pm). The model of care at the COC has evolved to more closely align services with the needs of this complex population. Individuals are provided access to supports and services including assistance with housing, basic food, social assistance, employment and mental health supports.

With HPEI leadership, a medical clinic was established in the COC at the Park Street location, and, as well, numerous care pathways were developed. For the most complex situations, there are now shared care plans between Park Street Emergency Shelter, Summerside Emergency Shelter and the Community Outreach Centre.

### Shelter Support Line

PEIHC provides operating funding to The Salvation Army to operate the [Shelter Support Line \(SSL\)](#) providing a dedicated line for anyone in need of shelter 24 hours per day, seven days per week. Staff will work with callers to find a solution that best suits the caller's needs and can connect them with resources for longer-term solutions. During FY2024-2025, the Shelter Support Line received 1,270 calls consisting of requests for shelter (762), transportation (478), and information (393).

## Supports to First Time Homeowners

The [Closing Cost Support Program](#), which is managed, administered and funded by the PEIHC, assists Prince Edward Islanders with low and modest incomes with financial assistance to cover a portion of the closing costs on the purchase of their first home. Eligible applicants can apply to receive a contribution of up to \$2,500 to support the closing costs of the purchase, with 171 households being supported in 2025. PEIHC and Finance PEI have worked together to provide complementary programs for first time homeowners. Through Finance PEI's [Down-Payment Assistance Program](#), 112 households have been assisted and through their [Rent-To-Own Pilot Program](#), 15 households may exercise their Purchase Option at any time during the 5-year term of the Rent-to-Own Agreement.

### First Time Home Buyer Programs

Program	Funds Disbursed	Households supported
	2024-25	2024-25
	(\$000s)	
Down Payment Assistance Program <sup>1</sup>	\$1,530	112
Rent-to-Own Pilot Program <sup>2</sup>	\$3,422	15
Closing Cost Support Program <sup>3</sup>	\$406	171

<sup>1</sup>Source: Finance PEI. The Down Payment Assistance Program is operated and funded by Finance PEI. It was launched in 2018.

<sup>2</sup>Source: Finance PEI. The Rent-to-Own Pilot Program is operated and funded by Finance PEI. It was launched in November 2023.

<sup>3</sup>Source: PEIHC. The Closing Cost Support Program is operated and funded by PEIHC. It was launched in November 2023.

## Support for Developers

The joint federal and provincial [Canada Housing Infrastructure Fund](#) (CHIF) provides funding for local infrastructure projects such as water, wastewater, stormwater, and solid waste. This program is administered by the Department of Transportation and Infrastructure (DTI) with joint Housing, Infrastructure and Communities Canada (HICC) and provincial funding. The program launched in February 2025, and initial application intake for the two levels of government, municipal and provincial, closed in May 2025. Representatives from PEIHC and the Department were consulted on housing outcomes for the fund.

In partnership with Finance PEI, the [Housing Development Challenge Program](#) supported private developers, non-profits, and community-based service organizations in creating new rental housing by financing the construction of new housing facilities and/or infrastructure development of subdivisions in rural areas.

PEI continues to leverage government owned property to support the creation of affordable housing, with work progressing on the Hillsborough Park development and has been gathering community input on the future utilization of the land at 241 Euston Street.

## Community Housing Expansion Pilot

Through the Community Housing Expansion Pilot, the PEIHC is partnering with three local non-profit and co-operative housing organizations were selected to expand their housing portfolios and have received funding as strategic support to develop and implement capacity building exercises, including management, governance, real estate development and property management in a cohort environment with guidance from the Canadian Housing Transformation Centre. These capacity funding supports will allow the partners to be better positioned for growth going forward.

Launched in 2024-2025, non-profit organizations and housing co-operatives were selected through a fair and competitive Expression of Interest (EOI) and subsequently invited Request for Proposals (RFP) process. The community partners are:

- The Canadian Mental Health Association - PEI Division,
- Island Unity Land Co-operative Limited, and
- Kings Square Non-Profit Housing Corporation.

	2024-25
Applications approved (#)	3
Units in approved applications (#)	116
Funds provided (\$000s)	\$7,522

Source: PEIHC

This initiative is an expansion of the Provincial mandate beyond those who qualify for social housing and tackles general housing affordability. Its aim is to strengthen and grow the Island's non-profit housing sector, while maintaining affordable rental rates long-term. The Community Housing Expansion Pilot had the initial target for the program set at 120 units. With two of the partners having completed the purchase of 116 units in Year

1, and more units to come, the program has met its' program goal in Year 1. PEIHC believes that Community Housing Expansion Pilot has proven to be a strong pilot program to support the creation of affordable and market rentals and having the intended impact on increasing the number of affordable rental units available.

## Community Housing Fund

The [Community Housing Fund \(CHF\)](#) is a collaboration between the Canadian Mental Health Association, PEI Division (CMHA-PEI) and the Province of Prince Edward Island, through PEIHC to develop sustainable affordable housing.

This program supports housing developments which support populations with various complexities resulting in transitional and supportive housing, as well as affordable units. Funding under this program can be used to provide additional resources and support to develop solutions to PEI's housing shortage. The CHF provides funding through three streams, including Capacity Building and Research, Professional Services, and Construction.

In FY2024/2025, 22 housing units have been completed, bringing the program total for units completed to 84. An additional 33 units are currently under construction.

Approval Categories	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Applications (#) – Capacity Building and Research	0	0	1	0	4	0
Applications (#) – Professional Services	9	0	3	4	6	5
Applications (#) – Construction	6	0	2	4	8	4
Construction applications-units (#)	60	0	32	22	109	33
Funds committed (\$000s) – all streams	\$3,092	0	\$1,512	\$1,088	\$3,335	\$2,381

Source: Canadian Mental Health Association. Program launched in March 2018. Some of the units are transitional and supportive housing and some are affordable units.

## Affordable Housing Development Program

Affordable Housing Development Program (AHDP) provides forgivable loans of up to \$55,000 per unit to developers to increase affordable housing options. AHDP is open to non-profit organizations, private entrepreneurs, development corporations, housing cooperatives, or municipalities. New builds, buildings currently under construction, or renovations to existing buildings are eligible if such renovations add new affordable units to the market. Projects must be a minimum of four units, contribute to increasing accessible units to 20 per cent of government-supported units, and be Net Zero Ready. The loan forgiveness period will be negotiated upon project approval but will be a minimum of ten years.

- Forgivable loans for projects led by private entrepreneurs will be limited to a maximum of 50% of the units in their project.
- Municipalities, development corporations and non-profits and housing cooperatives may be eligible for forgivable loans for 100% of the units in their project.
- Rents for units not receiving program funding can be set at market rates.
- Rental rates for all units may be increased during the term of the forgivable loan based on IRAC's Allowable Rent Increases.
- Projects must be a minimum of four units, include 20% accessible and be Net Zero Ready.
- Minimum unit size requirements are: Bachelor/Studio: 250 square feet; one bedroom: 400 square feet; two bedroom: 550 square feet; three bedroom: 800 square feet and four bedroom: 1,000 square feet.

## Affordable Housing Development Program Units Completed Since Inception\*

Total number of market units created	145
Total number of affordable units created	74
Total number of affordable and market units	219

## Breakdown by Length of Agreement for the Affordable Units Completed

25 Years	8
20 Years	26
15 Years	36
10 Years	4
Total	74



## Breakdown of Completed Units by Community

Breakdown by Community:	# of market units	# of affordable units	Total
Alberton	7	7	14
Charlottetown	111	42	153
Kensington	9	9	18
Rustico	3	3	6
Souris	8	6	14
Summerside	4	4	8
Tignish	3	3	6
<b>Total</b>	<b>145</b>	<b>74</b>	<b>219</b>

## Affordable Units Approved vs Units Completed

Fiscal Year	Units Budgeted	Units Approved - Net	Units Completed	Units Not Yet Completed
2019/2020	50	12	0	
2020/2021	50	14*	22	
2021/2022	50	27	4	
2022/2023	50	191	2	
2023/2024	59	0	41	
2024/2025	59	72	5	
<b>Totals</b>	<b>318</b>	<b>316</b>	<b>74</b>	<b>242</b>

\*Please note that 17 units approved were formally withdrawn subsequent to the reporting period and have been removed from the number of approved units.

The AHDP has demonstrated strong uptake in 2024-2025 with more favorable macro economic conditions for building and is meeting the objectives of the program. PEIHC staff continue to monitor all approved projects as they progress. As of the date of this report, 95 affordable units are at various stages of construction and 36 affordable units are in the design stage.

Forgivable loan proceeds are not advanced before construction begins and are disbursed to developers at various stages of construction, as independently assessed based on the stage of completion. It is not uncommon for larger scale construction projects to take longer than one year.

Prior to the launch of the Affordable Housing Development Program, there was an Expression of Interest approach taken to offer forgivable loans for affordable units. Applications were reviewed and approved in 2018-2019, with construction and disbursements taking place until 2021-22.

### EOI – Affordable Units

	From 2018-19 to 2021-22
Affordable units approved and completed	243
Market units approved and completed	106
Funds disbursed (\$000s)	\$8,700,000

During the reporting period, in March 2025, the Auditor General of Prince Edward Island issued a report, “Affordable Housing Development Program”, resulting in five recommendations. Management has agreed, accepted and has implemented the recommendations, which largely center around reporting on completion of projects and separating the precursor EOI program from the formal establishment of the AHDP.

### Canada Mortgage and Housing Corporation

PEIHC works closely with the Canada Mortgage and Housing Corporation (CMHC), representing the Government of Canada. CMHC cost-shares provincial programs and directly administers other federally funded social housing units.

PEIHC manages and delivers the Canada-PEI Affordable Housing Agreement, and its various amendments, to assist in the development of affordable housing units across the province through a cost matching program with the Government of Prince Edward Island.

The introduction of the National Housing Strategy in November 2017 and the signing of the Bilateral Agreement under the Strategy provide opportunities to continue our relationship with the CMHC and build on past successes to support and improve housing properties. The Bilateral Agreement under the National Housing Strategy is a 10-year commitment that requires PEIHC to submit regular Progress Reporting on how housing targets are being met as well as Action Plans (2018, 2022, and 2025) on the implementation details of housing targets.

As part of the implementation of the National Housing Strategy, PEIHC and CMHC co-developed the Canada-PEI Housing Benefit to ensure that the unique housing needs of Islanders are addressed. This benefit was implemented in 2020-2021. The Bilateral Agreement was amended in 2023-2024 to add an additional stream under the Canada-PEI Housing Benefit to support survivors of gender-based violence.

## **Community Partners**

PEIHC maintains strong relationships with many community partners, including but not limited to tenants, landlords, municipalities, First Nations, non-profit organizations, private sector developers, the construction industry, education programs, and other government departments. These relationships form important partnership roles to help bring affordable housing to Islanders and without their assistance, the important work we do could not be accomplished.

## Appendix A

### PEIHC Social Housing 2024-2025

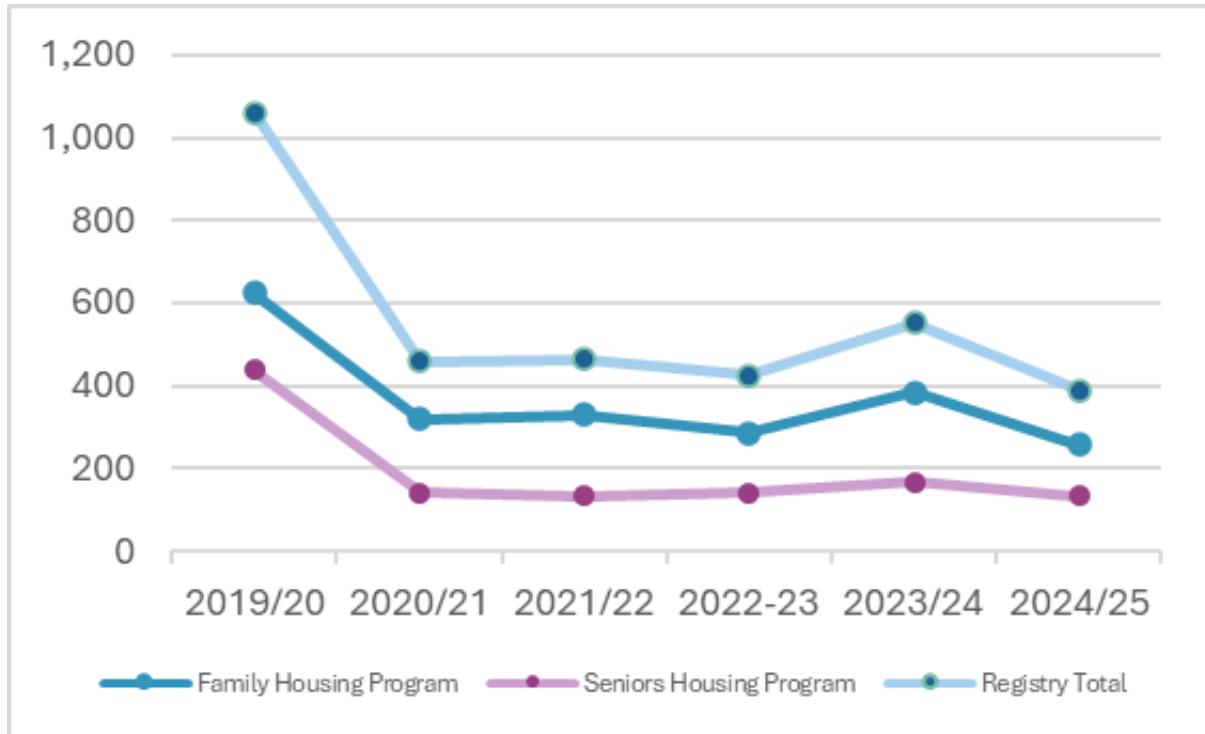
Queens County	
Greater Charlottetown area	734
Cornwall	17
Crapaud	13
Hunter River	18
Mt. Stewart	18
North Rustico	6
South Rustico	4
<b>Total</b>	<b>810</b>
Kings County	
Cardigan	3
Eldon	6
Georgetown	63
Montague	195
Morell	22
Murray Harbour	6
Murray River	7
Rollo Bay	14
Souris	132
St. Peters	9
Vernon River	3
<b>Total</b>	<b>460</b>

Prince County	
Abrams Village	5
Alberton	40
Bedeque	6
Borden	30
Kensington	100
Kinkora	5
Miscouche	17
Mont Carmel	6
O'Leary	49
St. Louis	4
Summerside	417
Tignish	30
Tyne Valley	5
Wellington	17
Wilmot	6
<b>Total</b>	<b>737</b>
Holland College units not yet assigned to a community	<b>3</b>
Rural Native Housing and Rural Community Housing	<b>15</b>

<b>Total Social Housing Units</b>	<b>2,025</b>
-----------------------------------	--------------

## Appendix B

### Social Housing Registry by Program



## Financial Information

For the year ended March 31, 2025, the Prince Edward Island Housing Corporation reported total revenues of \$144,490,896 (\$131,029,581 – 2024) and total expenses of \$75,365,187 (\$61,622,505 – 2024), resulting in an annual accounting surplus of \$69,125,709 (\$69,407,076 – 2024). This surplus does not reflect an operating gain, but rather the accounting treatment of capital funding received from the Province of Prince Edward Island. Under Public Sector Accounting Standards (PSAS), capital grants are recorded as revenue when received, while the corresponding capital asset is amortized or depreciated over time. The result is a timing difference that produces an annual surplus in the year of receipt.

Attached are the unqualified audit opinion and financial statements for the year ended March 31, 2025.



## Financial Statements

Prince Edward Island Housing Corporation

March 31, 2025

# Contents

	<b>Page</b>
Independent auditor's report	1 - 2
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Debt	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 18



## Independent auditor's report

---

**Doane Grant Thornton LLP**  
2nd Floor, Royal Bank Building  
220 Water Street, PO Box 1660  
Summerside, PE  
C1N 2V5

T +1 902 436 9155  
F +1 902 436 6913  
[www.doanegrantthornton.ca](http://www.doanegrantthornton.ca)

To the Prince Edward Island Housing Corporation

### Opinion

We have audited the financial statements of Prince Edward Island Housing Corporation (the "Corporation"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net debt and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Prince Edward Island Housing Corporation, as at March 31, 2025, and its results of operations, its changes in net debt, and the cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis For Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities Of Management And Those Charged With Governance For The Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

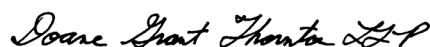
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation and the organizations it controls to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Summerside, Canada  
June 27, 2025



Chartered Professional Accountants

# Prince Edward Island Housing Corporation


## Statement of Financial Position

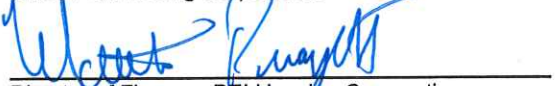
As at March 31

	2025	2024
<b>Financial Assets</b>		
Cash	\$ 10,234,411	\$ 15,726,597
Accounts receivable (Note 3)	<u>16,113,072</u>	<u>14,783,602</u>
	<u>26,347,483</u>	<u>30,510,199</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	22,317,793	29,716,026
Asset retirement obligations (Note 5)	16,451,858	16,441,691
Deferred revenue (Note 6)	8,115,010	5,070,840
Long-term debt (Note 7)	<u>2,797,755</u>	<u>3,408,698</u>
	<u>49,682,416</u>	<u>54,637,255</u>
<b>Net Debt</b>	<u>\$ 23,334,933</u>	<u>\$ 24,127,056</u>
<b>Non-Financial Assets</b>		
Tangible capital assets, net of amortization (Note 8)	190,942,803	122,609,217
Property holdings	<u>243,685</u>	<u>243,685</u>
	<u>191,186,488</u>	<u>122,852,902</u>
<b>Accumulated surplus</b>	<u>\$ 167,851,555</u>	<u>\$ 98,725,846</u>

Contingent Liabilities (Note 16)

Approved on behalf of the Prince Edward Island Housing Corporation

  
CEO, PEI Housing Corporation

  
Director of Finance, PEI Housing Corporation

See accompanying notes to the Financial Statements

# Prince Edward Island Housing Corporation

## Statement of Operations

Year ended March 31

	2025 Budget	2025	2024
Revenues			
Rental income	\$ 10,503,200	\$ 11,194,883	\$ 10,585,612
Grants			
Prince Edward Island (Note 9)			
Operations	52,137,400	52,618,414	47,552,274
Capital	69,671,600	72,589,811	62,568,267
Canada Mortgage and Housing Corporation			
Operations (Note 10)	6,863,700	4,873,327	4,941,149
National Housing Strategy/Bilateral (Note 13)	5,174,700	1,841,056	5,252,943
Unsheltered Homelessness and Encampment Initiative	-	500,000	-
Other income	20,000	873,405	129,336
	<u>144,370,600</u>	<u>144,490,896</u>	<u>131,029,581</u>
Expenses			
Administration	464,800	569,987	437,820
Equipment	28,100	32,491	39,562
Grants (Note 11)	54,353,200	47,402,124	40,341,587
Operating costs (Note 12)	16,395,300	20,495,001	15,702,264
Property taxes	1,191,900	2,131,445	1,530,503
Travel and training	129,900	375,601	230,771
	<u>72,563,200</u>	<u>71,006,649</u>	<u>58,282,507</u>
Amortization of tangible capital assets	6,046,700	4,550,899	3,412,584
Accretion expense	-	750,547	738,051
ARO revaluation adjustment	-	(1,035,055)	(920,521)
Interest charges on debt	173,000	92,147	109,884
	<u>78,782,900</u>	<u>75,365,187</u>	<u>61,622,505</u>
Annual surplus	65,587,700	69,125,709	69,407,076
Accumulated surplus, beginning of year	98,725,846	98,725,846	29,318,770
Accumulated surplus, end of year	<u>\$ 164,313,546</u>	<u>\$ 167,851,555</u>	<u>\$ 98,725,846</u>

See accompanying notes to the Financial Statements

# Prince Edward Island Housing Corporation

## Statement of Changes in Net Debt

Year ended March 31

	2025 Budget	2025	2024
Annual surplus	\$ (65,587,700)	\$ <b>(69,125,709)</b>	\$ (69,407,076)
Acquisition of tangible capital assets	69,671,600	<b>72,589,811</b>	62,568,267
Accretion expense	-	<b>(750,547)</b>	(738,051)
ARO revaluation adjustment	-	<b>1,035,055</b>	920,521
Adjustment to asset retirement obligation	-	<b>10,166</b>	95,053
Amortization of tangible capital assets	<u>(6,046,700)</u>	<u><b>(4,550,899)</b></u>	<u>(3,412,584)</u>
Increase in net debt	(1,962,800)	<b>(792,123)</b>	(9,973,870)
Net debt, beginning of year	<u>24,127,056</u>	<u><b>24,127,056</b></u>	<u>34,100,926</u>
Net debt, end of year	\$ <u>22,164,256</u>	\$ <u><b>23,334,933</b></u>	\$ <u>24,127,056</u>

See accompanying notes to the Financial Statements

# Prince Edward Island Housing Corporation

## Statement of Cash Flows

Year ended March 31

	2025	2024
(Decrease) increase in cash and cash equivalents		
<b>Operating activities</b>		
Accumulated surplus	\$ 69,125,709	\$ 69,407,076
Items not affecting cash		
Amortization of tangible capital assets	4,550,899	3,412,584
Accretion expense	750,547	738,051
ARO revaluation adjustment	<u>(1,035,055)</u>	<u>(920,521)</u>
	73,392,100	72,637,190
Changes in working capital items		
Accounts receivable	(1,329,470)	(4,452,512)
Accounts payable and accrued liabilities	(7,398,232)	(336,775)
Deferred revenue	<u>3,044,170</u>	<u>5,009,683</u>
	<u>67,708,568</u>	<u>72,857,586</u>
<b>Financing activities</b>		
Repayment of long-term debt	<u>(610,943)</u>	<u>(766,650)</u>
	<u>(610,943)</u>	<u>(766,650)</u>
<b>Investing activities</b>		
Acquisition of tangible capital assets	<u>(72,589,811)</u>	<u>(62,568,267)</u>
	<u>(72,589,811)</u>	<u>(62,568,267)</u>
Net (decrease) increase in cash	(5,492,186)	9,522,669
Cash, beginning of year	<u>15,726,597</u>	<u>6,203,928</u>
Cash, end of year	<u>\$ 10,234,411</u>	<u>\$ 15,726,597</u>

See accompanying notes to the Financial Statements

---

# Prince Edward Island Housing Corporation

## Notes to the Financial Statements

March 31, 2025

---

### 1. Nature of operations

The Prince Edward Island Housing Corporation operates under the authority of the Housing Corporation Act of Prince Edward Island. The Corporation's general objectives are to establish housing projects, construct, acquire, or renovate housing accommodations for sale or rent, and promote measures which will contribute to the availability of adequate and improved housing for low income families and individuals, seniors, or other groups that require assistance.

The Minister, having overall responsibility for the administration of the Act, has designated a senior public official to supervise the administration and management of the Corporation and perform such duties as the Minister may assign. The Corporation's operations are staffed by the Department of Housing, Land, and Communities and the Department of Finance.

The Corporation is a non-taxable entity under the provisions of the federal Income Tax Act.

### 2. Summary of significant accounting policies

#### a) Basis of accounting

These financial statements are prepared in accordance with Canadian public sector accounting standards. The Corporation complies with the recommendations of the Public Sector Accounting Board (PSAB) wherever applicable. PSAB standards are supplemented, where appropriate, by other accounting pronouncements.

Since the Corporation has no unrealized remeasurement gains or losses attributed to foreign exchange, derivatives, portfolio investments, or other financial instruments, a statement of remeasurement gains and losses is not prepared.

#### b) Financial Instruments

The Corporation considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Corporation accounts for the following as financial instruments:

- Cash and cash equivalents
- Accounts receivables
- Accounts payable and accrued liabilities
- Deferred revenue
- Long-term debt

A financial asset or liability is recognized when the Corporation becomes party to contractual provisions of the instrument.

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance, or assumption.

Financial assets and financial liabilities are subsequently measured according to the following methods:

<u>Financial Instrument</u>	<u>Subsequent Measurement</u>
Cash and cash equivalents	Amortized cost
Accounts receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Deferred revenue	Amortized cost
Long-term debt	Amortized cost

---

# Prince Edward Island Housing Corporation

## Notes to the Financial Statements

March 31, 2025

---

### 2. Summary of significant accounting policies (continued)

#### b) Financial instruments (continued)

The Corporation removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

#### Financial instruments in related party transactions

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Corporation does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Corporation initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the Corporation has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

#### c) Non-financial assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities or finance future operations. They are normally employed to deliver government services and may be consumed in the normal course of operations.

Tangible capital assets are recorded at historical cost, or estimated cost where historical cost information is not available, subject to established thresholds. Interest, if any, on capital projects is expensed as incurred.

The cost of the tangible capital assets, excluding land, is amortized monthly on a straight-line basis over their estimated useful lives as follows:

Buildings	40 yrs
Renovations	10 yrs
Equipment	5 - 15 yrs
Motor Vehicle	5 yrs
Computer Software	5 - 20 yrs

Amortization is pro-rated on a monthly basis starting with the date the asset is placed in service. Amortization ends when the total amortization of the asset equals the cost or on the date of disposal, whichever comes first. No amortization is recorded if an asset is taken out of service and/or disposed during the year.

Property holdings consist of land held for development properties and is recorded at the lower of cost or net realizable value.

Inventories of supplies are expensed when purchased.



---

# Prince Edward Island Housing Corporation

## Notes to the Financial Statements

March 31, 2025

---

### 2. Summary of significant accounting policies (continued)

#### d) Revenues

Revenues are recorded on an accrual basis in the period in which the transaction or event that gave rise to the revenue occurred. When accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable, revenues are recorded as received.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met. To the extent that transfer stipulations give rise to an obligation that meets the definition of a liability, transfers are recognized as deferred revenue.

Federal contributions provided by the Canada Mortgage and Housing Corporation (CMHC) are restricted in accordance with the provisions of the specific agreements through which they are received. Accordingly, federal contributions are recognized as revenue when the related expenses are incurred.

The Province of Prince Edward Island operational grant is calculated based on the actual shortfall in operations for the fiscal year.

The Province of Prince Edward Island capital grant is calculated based on the actual acquisitions of tangible capital assets.

#### e) Expenses

Expenses are recorded on an accrual basis in the period in which the transaction or event that gave rise to the expense occurred.

Grants are recognized as an expense when an application for assistance has been approved and performance requirements have been met. Conditional grants are provided to homeowners, developers, landlords, co-operatives and non-profit housing sponsors.

#### f) Use of estimates and measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Items requiring the use of significant estimates include the carrying amount and amortization of investments in properties and underlying assessments of service potential, useful life of tangible capital assets, the valuation of land held for future development, the carrying amount of accounts receivable, inputs and assumptions used relating to the asset retirement obligation, and the underlying estimates of the provision for loan impairment and doubtful accounts.

Management has made several significant assumptions to support the ARO accounting policy. In addition, the Corporation holds a wide array of tangible assets, including many buildings and other permanent structures, that may contain asbestos and other hazardous materials which has added to the complexity of the ARO estimation process. All estimates, including those relating to the ARO, are based on the best available information at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates and the differences could be material.

#### g) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with financial institutions. Bank borrowings are considered to be financing activities.

#### h) Other revenues

Other revenues are recognized in the year that the events giving rise to the revenues occur and the revenues are earned. Amounts received which related to revenues that will be earned in a subsequent year, are deferred and reports as liabilities.

# Prince Edward Island Housing Corporation

## Notes to the Financial Statements

March 31, 2025

### 2. Summary of significant accounting policies (continued)

#### i) Liability for asset retirement obligation

Asset retirement obligations (AROs) are provisions for legal obligations for the cost of remediating the Corporation's tangible capital assets that are in productive use or not in productive use. The legal obligation giving rise to an ARO can be a product of any of the following: regulations set by governments or regulatory bodies, contracts, legislation, or promissory estoppel.

An ARO is recognized when the following criteria have been met:

- There is a legal obligation to incur retirement costs;
- There was a past transaction/event has occurred;
- Expected to give up future economic benefits;
- A reasonable estimate of the ARO liability can be made

The estimated liability is the estimated cash flows required to settle the retirement obligation. The liability is recorded in the period in which an obligation arises and is included under liabilities on the Statement of Financial Position.

For assets that are still in productive use, there is a corresponding increase to the carrying value of the related asset. If the asset is still in productive use and is not recorded, the ARO cost is expensed in the period. For assets that are no longer in productive use, the ARO cost is expensed in the period. For assets fully amortized, but still in productive use, the ARO cost is amortized over the period until which time it is estimated to be retired.

### 3. Accounts receivable

	<u>2025</u>	<u>2024</u>
Province of Prince Edward Island	\$ 8,246,798	\$ -
CMHC	3,603,982	13,048,384
Harmonized sales tax	2,916,347	-
General	1,218,443	876,274
Family housing authorities	<u>455,855</u>	<u>1,015,441</u>
	16,441,425	14,940,099
Less: provision for doubtful accounts	<u>328,353</u>	<u>156,497</u>
	<u>\$ 16,113,072</u>	<u>\$ 14,783,602</u>

### 4. Accounts payable and accrued liabilities

	<u>2025</u>	<u>2024</u>
General	\$ 16,356,255	\$ 77,756
Holdbacks	4,727,456	-
Accrued liabilities	1,234,082	9,652
Province of Prince Edward Island	<u>-</u>	<u>29,628,618</u>
	<u>\$ 22,317,793</u>	<u>\$ 29,716,026</u>

# Prince Edward Island Housing Corporation

## Notes to the Financial Statements

March 31, 2025

### 5. Asset retirement obligations

The estimated liability is the fair value of the estimated discounted future cash flows required to settle the asset retirement obligation. The estimated liability is recorded in the period that the obligation to remediate occurs.

The discount rate utilized for asset retirement obligation calculation is 4.51% (2024 - 4.88%). The estimated total undiscounted expenditures would be \$26,674,228 (2024 - \$29,294,035) at the date of expected outlay with the estimated retirement year ranging from 2025 to 2064. The asset retirement obligations are primarily associated with the remediation of asbestos and other building materials.

Below is a reconciliation of the beginning and ending aggregate carrying amount of the liability:

	<u>2025</u>	<u>2024</u>
<b>ARO Liability, beginning of year</b>	<b>\$ 16,441,691</b>	<b>\$ 16,346,637</b>
Estimated liabilities incurred	74,597	777,519
Estimated liabilities settled	(593,592)	(75,384)
Accretion expense	750,547	738,051
Revisions in estimated costs	<u>(221,385)</u>	<u>(1,345,132)</u>
<b>ARO Liability, end of year</b>	<b>\$ <u>16,451,858</u></b>	<b>\$ <u>16,441,691</u></b>

### 6. Deferred revenue

	<u>2025</u>	<u>2024</u>
Prepaid rent	\$ 115,010	\$ 70,840
City of Charlottetown – intermediary revenue	5,000,000	5,000,000
National Housing Co-Investment Fund	<u>3,000,000</u>	<u>-</u>
	<b>\$ <u>8,115,010</u></b>	<b>\$ <u>5,070,840</u></b>

---

# Prince Edward Island Housing Corporation

## Notes to the Financial Statements

March 31, 2025

---

### 7. Long-term debt

	<u>2025</u>	<u>2024</u>
Mortgages and debentures payable to CMHC with maturity dates ranging from 2025 to 2052, with interest rates ranging from 1.74 percent to 5.89 percent and secured by properties.		
Mortgages payable	<b>2,578,016</b>	2,992,749
Debentures payable	<u><b>219,739</b></u>	<u>415,949</u>
	<b>\$ <u>2,797,755</u></b>	<b>\$ <u>3,408,698</u></b>

### Principal Repayments

Anticipated annual principal repayments over each of the next five years and thereafter are as follows:

2026	\$ 542,773
2027	276,224
2028	207,464
2029	141,579
2030	88,251
Thereafter	<u>1,541,464</u>
	<b>\$ <u>2,797,755</u></b>

Interest expense for the year on outstanding mortgages was \$70,450 (2024 - \$73,980) and outstanding debentures was \$21,697 (2024 - \$35,904).

---

# Prince Edward Island Housing Corporation

## Notes to the Financial Statements

March 31, 2025

### 8. Tangible capital assets

	Land	Buildings	Renovations	Equipment	Motor Vehicle	Computer Software	2025 Total	2024 Total
<b>Cost, beginning of the year</b>	\$ 14,609,773	\$ 155,748,395	\$ 18,063,332	\$ 716,820	\$ -	\$ -	\$ 189,138,320	\$ 126,310,067
Additions	3,689,258	64,151,561	4,571,822	-	126,732	50,436	72,589,809	62,568,266
ARO – change in assumptions and estimate	-	384,234	-	-	-	-	384,234	277,522
Disposals / write-downs	-	(497,895)	-	-	-	-	(497,895)	(17,535)
<b>Cost, end of year</b>	<u>18,299,031</u>	<u>219,786,295</u>	<u>22,635,154</u>	<u>716,820</u>	<u>126,732</u>	<u>50,436</u>	<u>261,614,468</u>	<u>189,138,320</u>
<b>Accumulated amortization, beginning of year</b>	-	54,480,130	11,980,571	68,402	-	-	66,529,103	63,134,054
Amortization	-	3,331,534	1,158,866	58,387	2,112	-	4,550,899	3,412,584
Disposals / write-downs	-	(408,337)	-	-	-	-	(408,337)	(17,535)
<b>Accumulated amortization, end of year</b>	<u>-</u>	<u>57,403,327</u>	<u>13,139,437</u>	<u>126,789</u>	<u>2,112</u>	<u>-</u>	<u>70,671,665</u>	<u>66,529,103</u>
<b>Net book value</b>	<u>\$ 18,299,031</u>	<u>\$ 162,382,968</u>	<u>\$ 9,495,717</u>	<u>\$ 590,031</u>	<u>\$ 124,620</u>	<u>\$ 50,436</u>	<u>\$ 190,942,803</u>	<u>\$ 122,609,217</u>

Tangible capital assets represent the Corporation's ownership in housing projects constructed or acquired, including ownership interest in projects pursuant to partnership agreements, and other such assets that are necessary for the operations of the Corporation. The Corporation's cost is net of amounts provided by CMHC in consideration for an ownership interest in the partnership housing projects. Buildings funded through partnership agreements with CMHC are subject to restrictions to operate for the benefit of individuals, seniors, and families with limited income. CMHC approval is required for changes in asset use or disposal for properties which it shares an ownership interest. Disposals related to renovations are only recognized when the related building is removed from service.

---

# Prince Edward Island Housing Corporation

## Notes to the Financial Statements

March 31, 2025

---

### 9. Province of Prince Edward Island

The Province of Prince Edward Island provides annual operating and capital grants to the Corporation. The operating grant is provided to fund the operations of the Corporation. The capital grant is used to fund the purchase of tangible capital assets and is recognized as revenue in the year the capital transfer is authorized and eligibility criteria, if any, are met.

---

### 10. Canada Mortgage and Housing Corporation

The Corporation is eligible for subsidy assistance from CMHC. Subsidy assistance is paid by project, based on agreement terms and conditions, and is equal to the difference between eligible annual operating costs and project revenues for designated units. The various agreements expire between 2025 and 2037.

---

### 11. Grants

	<u>2025</u>	<u>2024</u>
Rent Supplement and Mobile Rental Vouchers	\$ 12,089,135	\$ 11,702,603
Community Housing Expansion Program	8,379,360	-
Affordable Housing Initiatives	2,902,258	5,484,473
Home Renovations Program	4,499,726	5,304,836
Shelters and Supportive Housing	8,272,056	6,920,031
Family Housing Authorities	2,132,569	2,320,243
Home Heating Program	9,127,020	8,600,000
Other	-	9,401
	<u>\$ 47,402,124</u>	<u>\$ 40,341,587</u>

---

### 12. Operating Costs

	<u>2025</u>	<u>2024</u>
Materials, supplies and, services	\$ 7,026,665	\$ 3,470,345
Salaries	7,501,803	6,242,609
Repairs and maintenance	2,859,774	3,238,441
Utilities	3,106,759	2,750,869
	<u>\$ 20,495,001</u>	<u>\$ 15,702,264</u>

---

---

# Prince Edward Island Housing Corporation

## Notes to the Financial Statements

March 31, 2025

---

### 13. Contingent Benefits and Obligations

#### a) Bilateral Agreement

In January 2019 the Corporation entered into a Bilateral Agreement with the CMHC, effective April 1, 2018, to support the implementation of funding available through the 2017 National Housing Strategy. Funding is available as follows and must be cost matched by Prince Edward Island:

Fiscal Year	Amount \$
2026	4,684,763
2027	4,618,646
2028	4,508,984

#### b) Unilateral Program

Under the Renovation and Retrofit of Social Housing initiative pursuant to Section 51 of the National Housing Act, CMHC made contributions to the Prince Edward Island Housing Corporation in the 2010 and 2011 fiscal years for the purpose of renovating, general improvement, energy efficiency upgrades or conversions, modifications to support persons with disabilities, and/or the regeneration of existing social housing projects. Conditions of the agreements were:

- Maintain not-for-profit status, own and operate, use and maintain the land and premise to provide housing benefits to low and moderate low-income households for 10 years;
- Mortgage agreement with CMHC, with collateral security for payment of the principal amount and performance by the Corporation on projects greater than \$25,000.

#### c) Property Lease Agreements

The Corporation has entered into 10 to 25-year lease agreements with 23 property owners to provide 331 affordable housing units through rent supplement arrangements. These leases are not classified as capital leases as the Corporation has not assumed the majority of the risk associated with the properties. The estimated lease obligations are calculated by using the known rent and assuming a two percent annual rental increase. Under the terms of the agreements, the agreed affordable rent rates can only be adjusted upward to reflect any increase that is permitted by the Island Regulatory and Appeals Commission (IRAC) in accordance with the Rental of Residential Property Act and are not guaranteed.

The estimated obligations for the next five years and beyond are:

Fiscal Year	Amount \$
2026	4,009,900
2027	4,083,100
2028	4,157,700
2029	4,233,800
2030	4,248,100
Thereafter	<u>42,033,000</u>
	<u>62,765,600</u>

---

# Prince Edward Island Housing Corporation

## Notes to the Financial Statements

March 31, 2025

---

### 13. Contingent Benefits and Obligations (continued)

#### d) Affordable Housing Agreements

The Corporation has signed a number of commitment letters dedicating funds for housing projects to increase affordability in existing units and create new units. Agreements are structured as forgivable loans, with annual operating grants for certain agreements, with terms from 10 to 25 years. Funds are paid and expensed over the term of the agreement.

Fiscal Year	Amount \$
2026	2,523,000
2027	2,574,000
2028	2,626,100
2029	2,677,200
2030	2,699,100
Thereafter	<u>30,810,500</u>
	<u>43,909,900</u>

#### e) Capital Additions

During the fiscal year, the Corporation received approval to proceed with capital additions totaling \$80,022,300 for fiscal 2026.

---



---

# Prince Edward Island Housing Corporation

## Notes to the Financial Statements

March 31, 2025

---

### 14. Financial Management

The Corporation is exposed to credit, market, and liquidity risk from its financial instruments. An analysis of these risks is provided below.

#### **Credit Risk**

The Corporation is exposed to credit risk with respect to accounts and loans receivable. The maximum exposure to credit risk is \$16,113,072, as indicated by the balances on the statement of financial position. Of this amount, \$3,619,163 is past due but not impaired. The Corporation mitigates this risk through a regular monitoring process. Credit risk is also mitigated due to the fact that the majority of the receivables are due from the Canada Mortgage and Housing Corporation, which includes those which are past due but unimpaired.

#### **Market Risk**

Market risk is comprised of three types: currency, interest, and price risk. The Corporation does not hold nor operate in foreign currency and thus market risk is derived from interest rate and price risk. Changes in interest rates, prices for goods, services, and rents significantly impact the Corporation and thus could increase the cost of operations and require increased funds from government. The risk is managed by participating in government purchasing, determining if maintenance is done internally or tendered, cost sharing operations with CMHC, establishing long-term lease agreements and rent increases limited by IRAC.

#### **Liquidity Risk**

The Corporation has contractual obligations and financial liabilities; therefore, is exposed to liquidity risk. The Corporation manages liquidity risk by maintaining adequate cash and credit facilities, updating and reviewing multi-year cash flow projections on a regular and as needed basis, and matching its long-term financing arrangements with its cash flow needs.

---

### 15. Related Party Transactions

These financial statements include the results of transactions with various provincial government-controlled departments, agencies, Crown corporations and family housing authorities with which the Corporation is considered related. Transactions with related parties are settled at prevailing market prices under normal trade terms.

The Province of Prince Edward Island has assumed responsibility for certain operating costs that are shared with other departments such as property insurance, provincial portion of property tax, office facilities, disposal and remediation of property, management salaries and benefits. These expenses are material and are not reflected in the Corporation's financial statements.

The Province of Prince Edward Island also employs all staff working on behalf of the Corporation and on an annual basis department allocations are made from the Department of Housing, Land, and Communities to the Corporation for its share of the salary and benefits.

---

---

# Prince Edward Island Housing Corporation

## Notes to the Financial Statements

March 31, 2025

---

### 16. Contingent Liabilities

#### a) Claims Outstanding

The Corporation is subject to legal actions arising in the normal course of business. Costs related to any outstanding claims are funded by the Prince Edward Island Self-Insurance and Risk Management Fund. The Fund provides general liability, errors and omissions, primary property, and crime insurance. The Fund is administered by the Province and responsibility for liabilities of the Fund is that of the Province.

#### b) Building Remediation

Some buildings and permanent structures owned by the Corporation contain materials with asbestos and other hazardous materials. The Corporation monitors the condition of these assets to ensure they do not pose a risk to the occupants, staff, contractors, or the public at large. The incremental cost of addressing asbestos through repair, maintenance, or renovations has been estimated by management, refer to Note 5, and is the legal responsibility for the Corporation to remediate. Any incremental cost associated with the decommissioning or demolition of a building is the responsibility of the Province.

#### c) Construction Contract Claim

During a prior year, the Corporation was named in a wrongful termination claim after the Corporation decided to terminate a construction contract. It is management's position that the claim has no merit and the Corporation will not be held liable. As a result, no provision has been made in the financial statements for the claim.

---

### 17. Budget figures

Budget figures have been provided for comparison purposes and have been derived from the estimates approved by the Legislative Assembly of the Province.

---

### 18. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.

---

## Contact Information

Prince Edward Island Housing Corporation

105 Rochefort Street, Shaw N 2<sup>nd</sup> Floor

Charlottetown, PE, C1A 7N8

Tel 902-218-8569

Fax 902-368-5444

[PrinceEdwardIsland.ca](http://PrinceEdwardIsland.ca)

