
Introducing the State of the Island Report

This *State of the Island Report* is the first official step in creating a provincial, Island-wide Land Use Plan.

Land use planning requires a series of inputs to create policies that support thriving and vibrant Island communities. This *State of the Island (SOTI) Report* satisfies the local data component for the upcoming land use plan. With this report's completion, the Province can use this information to support the upcoming public components of the land use planning process.

The main outcomes for the *SOTI Report* are to:

- Provide an overview of the natural environment, built environment, economic and social conditions across the Island that need to be considered for land use and/or land ownership; and
- Identify land use trends that are cause for concern, and which may require land use intervention.

Thematic Areas

Four interdependent, overarching thematic areas contribute to the long-term sustainability of communities: **community, society and quality of life, natural environment, built environment, and the economy**. Each area contributes uniquely to the resilience and vibrancy of communities, ensuring that they are well-equipped to meet the challenges of today and tomorrow. The *SOTI Report* uses these four systems of sustainability as a sorting mechanism for investigations, with the thematic areas identified below.

Community, society and quality of life

- **Population and Demographic Growth:** Population growth, urban and rural growth, and population growth factors.
- **Demographics at a Glance:** Age, gender, people with disabilities, language, visible minorities, and Indigenous peoples.
- **Cost of Living:** Income, shelter costs, housing access and affordability, goods and service cost, and food security.

Natural Environment

- Land use and conservation trends
- Forests
- Wetlands
- Wildlife
- Air quality
- Water resources
- PEI's coastline and coastal hazards
- Climate change: impacts and response
- Climate change and vulnerable populations

Built Environment

- **Municipalities:** Settlement within municipalities, previous studies, Special Planning Areas (SPAs), settlement patterns, sprawl, strip development, leapfrog development, building on private roadways, subdivisions, and vacant parcels.
- **Housing:** Residential development, housing starts, housing completes, housing retrofits, Indigenous participation in land use planning, and heritage preservation.
- **Ownership:** Housing investment, housing tenure, and taxation.

Executive Summary

Key Findings

- **Infrastructure and transportation:**

Transportation, interprovincial transportation, infrastructure, energy and electricity, high-speed internet availability, waste management, and water and wastewater services.

- **Social Services:** Community facilities, healthcare, schools, and emergency services.

Economy:

- Employment workforce
- Gross Domestic Product
- Agriculture
- Aquaculture and fisheries
- Food economy sector
- Tourism
- Non-profit sector

While each of the four thematic areas will influence or be influenced by land use planning and sustainable development principles, some variables and existing trends have been more influential than others. The following highlights some of the key findings from the current investigation.

- As a province, PEI is growing at its fastest rate in history, with a growth rate that has exceeded the Canadian average since 2016.
- PEI's inconsistent local governance (municipal) framework provides challenges for growth management.
- PEI experienced higher rates of relative cost increases from May 2021 to January 2023 compared to the rest of Canada.
- PEI has experienced a loss in agricultural lands over time, and is at risk of losing up to 50% of its current agricultural land by 2050.
- PEI has lost significant forest lands.
- Income and associated living costs are not equally distributed across the Island.

- There is a visible social and economic divide between urban and rural residents of PEI.
- The majority of the Island's subdivision development has been happening in unincorporated areas.
- PEI has a disproportionately high number of secondary houses ('investment properties') (27%) in comparison to other provinces.
- PEI's seasonal economy puts pressure on workers in times of crisis.
- PEI has the highest proportion of private land ownership (88%) of any province in Canada.
- There is inherent vulnerability in being an Island during climate change.
- PEI spends a substantial amount of money per capita maintaining public roadways.

The *SOTI Report* provides rationale for each of these key findings, and includes an initial series of policy factors for consideration ([Section 4](#)).



STATE OF THE ISLAND REPORT

Spring 2024

The State of the Island Report was developed with significant support and input from multiple departments within the Government of Prince Edward Island.

Prepared by  intelligent
futures
DV8 Consulting





The State of the Island Report was commissioned by the Province of Prince Edward Island's Land Division of the Department of Housing, Land and Communities in 2023. The creation of the report was undertaken by a consulting project team of Intelligent Futures and DV8 Consulting.

In collaboration with multiple staff from the Department of Housing, Land and Communities, the team worked to gather, summarize, and analyze data provided across various PEI departments. Special thanks to the Department of Housing, Land and Communities staff for data collection, analysis and writing support, in particular:

- Aaron Bautista
- Henry Liao, DA
- Frank MacEachern, BEP
- Glenda MacKinnon-Peters, FEC, PEng.
- Alex O'Hara, MRTPI, MIPI, AssocRICS, CAHP-intern, EpT, MSci
- Megan Williams, BCD, MCIP, RPP
- Robert Zilke, MCIP, RPP, MPlan

The Interdepartmental Committee on Land use (lighted right) includes representatives from multiple departments within the Government of Prince Edward Island, and provided the project team with valuable data and context.

The writers of this report extend their gratitude to all contributors for their valuable expertise and dedicated time. It is important to clarify that their involvement does not constitute an endorsement of this Report, nor does the information presented necessarily align with the perspectives of the participants or the departments they represent.

- Nancy Costa, Executive Council Office
- Boyce Costello, Finance
- John Cummings, Education and Early Years
- Patrick Davis, Housing, Land and Communities
- Mark DeMone, Health and Wellness
- Jason Doyle, Housing, Land and Communities
- Todd Dupuis, Environment, Energy, and Climate Action
- Vernon MacIntyre, Social Development and Seniors
- Kate MacQuarrie, Environment, Energy, and Climate Action
- Spencer Matheson, Executive Council Office
- Nick Policelli, Justice and Public Safety
- Jeff Ready, Economic Development, Innovation and Trade
- Amie Swallow Macdonald, Fisheries, Tourism, Sport and Culture
- Andrea Triolo, Agriculture
- Kal Whitnell, Workforce, Advanced Learning and Population
- Stephen Yeo, Transportation and Infrastructure

In addition to this group, the project team would like to thank the additional 40+ staff and members of supporting organizations who helped to review, and circulate data for inclusion in the *SOTI Report*. This input, in addition to the various work done to date, made the creation of the *SOTI Report* possible.

Benchmark Home Price: MLS® estimate of the value of a “typical” home in a community, based on the most popular combination of features, e.g., age, size, number of bedrooms and bathrooms.

Complete Communities: communities – or areas within a community – which provide a diversity of housing to meet identified community needs and accommodate people at all stages of life, and provide a wider range of employment opportunities, amenities, and services within a 15-20 minute walk.

Data Suppression: Area and data suppression has been adopted to further protect the confidentiality of individual respondents’ personal information. Area and data suppression results in the deletion of all information for geographic areas with populations below a specified size. For example, areas with a population of less than 40 persons are suppressed. If the community searched has a population of less than 40 persons, only the total population counts will be available. Suppression of data can be due to poor data quality or to other technical reasons.

Employment Rate: The number of employed persons, expressed as a percentage of the total population.

Food insecurity: Data within this report uses the Household Food Security Survey Module (HFSSM) to define food insecurity. The HFSSM is Canada’s primary validated measure of food insecurity. It contains 18 questions designed to measure food insecurity resulting from limited financial resources. Based on a household’s experience, food insecurity can be categorized into 3 categories:

- **Marginal food insecurity:** Worry about running out of food and/ or limited food selection due to a lack of money for food.
- **Moderate food insecurity:** Compromise in quality and/ or quantity of food due to a lack of money for food.
- **Severe food insecurity:** Miss meals, reduce food intake and, at the most extreme, go day(s) without food.

In this report, “food insecurity” refers to moderate or severe food insecurity.

Food security: when all people, at all times, have physical and economic access to sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life. There are four dimensions of food security: physical availability of food, economic and physical access to food, food utilization, and stability of the other three dimensions over time.

Gentrification: the process of displacing lower income inhabitants of an area through wealthier populations moving in, improving housing, and attracting new businesses, making it unaffordable to existing residents.

Gini coefficient: a number between zero and one that measures the relative degree of inequality in the distribution of income. The coefficient would register zero (minimum inequality) for a population in which each person received exactly the same adjusted household income and it would register a coefficient of one (maximum inequality) if one person received all the adjusted household income and the rest received none. Even though a single Gini coefficient value has no simple interpretation, comparisons of the level over time or between populations are very straightforward: the higher the coefficient, the higher the inequality of the distribution.

Housing continuum: According to the 2024-2019 housing strategy, a housing continuum is the broad range of housing options available in a community to support individuals and families seen in the graphic below.



Definitions

a.

The housing continuum recognizes that people's housing needs can change over time, and it seeks to provide a comprehensive framework that ensures everyone has access to adequate, affordable, and suitable housing options based on their unique circumstances and requirements. Within the continuum, there is a range of housing options based on unique population needs including economic and mental well-being as well as demographics and other factors.

Immigrant: A person who does not have Canadian citizenship at birth but was granted the right by immigration authorities to live in Canada on a permanent basis. Children born in other countries to parents who are Canadian citizens that reside temporarily in another country are not included in the category.

Investment properties: The properties owned by investors that are not the primary residence of one of the owners.

Investors: In this report, an investor is defined as an owner who owns at least one residential property that is not used as their primary place of residence. This category can include secondary residence owners, residents of other provinces or countries, short- or long-term rental owners, for-profit businesses and speculators.

Migrants include internal migrants and external migrants.

- **Internal migrants:** include migrants who lived in Canada 1 year or 5 years ago. This includes persons who moved to a different city, town, township, village, municipality or Indian reserve within Canada. Greater detail can be provided for internal migrants by identifying whether they crossed a provincial boundary or the limits of a large municipality, specifically a census metropolitan area (CMA) or census agglomeration (CA).
- **External migrants:** include migrants who did not live in Canada 1 year or 5 years ago.

Moveable Dwelling: A Statistics Canada classification of residential structures which includes mobile homes and other movable dwellings such as houseboats and railroad cars.

Net international migration: Obtained according to the following formula: Immigrants + returning emigrants + net non-permanent residents – (emigrants + net temporary emigration).

Net interprovincial migration: The difference between in-migrants and out-migrants for a given province or territory.

Net non-permanent residents: The variation in the number of non-permanent residents between two dates.

Overnight Stays: The total combined number of room-nights (fixed-roof) and site-nights (campground) sold in each month. These numbers come from occupancy reports submitted by licensed accommodations and include motorcoach figures.

Participation Rate: Refers to the labour force expressed as a percentage of the total population aged 15 years and over.

Single-Detached housing: Also known as single-family housing, or single-unit housing, single-detached housing is a Statistics Canada classification of residential structures for a single dwelling not attached to any other dwelling or structure (except its own garage or shed). A single-detached house has open space on all sides, and has no dwellings either above it or below it. A mobile home fixed permanently to a foundation is also classified as a single-detached house.

Urban areas: Urban areas are defined in PEI as the following three municipalities: City of Charlottetown, City of Summerside, and the Town of Stratford. This is largely consistent with Statistics Canada definitions when comparing urban and rural population trends, where urban areas are defined based on the population (greater than 1,000 inhabitants), and density (greater than 400 people per square kilometre). This definition has been refined for PEI based on urban development patterns, where a small number of municipalities met the population and density patterns, but were not representative of the scale and intensity of development of urban areas (i.e., the Town of Kensington).

Usual residents: The usual place of residence in Canada refers to the main dwelling in which the person lives most of the time, to ensure that residents of Canada are counted once and only once. For persons with only one residence, that residence is their usual place of residence. Usual residence can often be an indicator for vacation properties / persons with more than one residence in Canada.

Visible minority: refers to whether a person is a visible minority or not, as defined by the Employment Equity Act. The Employment Equity Act defines visible minorities as "persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour". The visible minority population consists mainly of the following groups: South Asian, Chinese, Black, Filipino, Arab, Latin American, Southeast Asian, West Asian, Korean and Japanese.

The *SOTI Report* was created to inform the local data component of the upcoming Island-wide land use plan.

The *SOTI Report* process was designed to answer the following “how might we” question:

How might we understand the current economic, environmental, and social conditions across PEI, and how have our existing planning practices influenced the development, protection, and growth of the Island to date?

To answer this question, the project team worked through two phases of work: acquiring, analyzing and now reporting on the information contained within this *SOTI Report*.

Phase 1: Project Foundations

Phase 1 consisted of a series of information gathering and analysis activities. From August to October 2023, information was retrieved from the Interdepartmental Committee on Land Use, as well as from a series of municipal, provincial, federal and academic sources to inform the initial analysis for the *SOTI Report*.

From November 2023 to January 2024, the information was analyzed using three primary focus areas:

- plans, policies and documents review
- asset and trend analysis
- benchmarking across key performance indicators

Project highlights were reported to the internal project team throughout using a series of interactive online sessions, in preparation for Phase 2.

Phase 2: Insight and Report Development

Phase 2 took place through January and February 2024, and was focussed on a datawalks workshop as well as report creation and review.

The datawalks workshop was held on January 11, 2024, and included a variety of Provincial departments and consultants. Participants reflected on a series of thematic datasets to identify trends, implications and gaps in the data presented.

The *SOTI Report* is based on the findings from Phase 1, as well as insights gathered from participants in the datawalks workshop. It is important to note that this process did not include public engagement (see [Limitations](#)). The initial report was circulated with provincial staff for review at the end of January 2024. Revisions were implemented in preparation for the spring sitting of the Legislative Assembly of Prince Edward Island.

Methodology

b.

Limitations

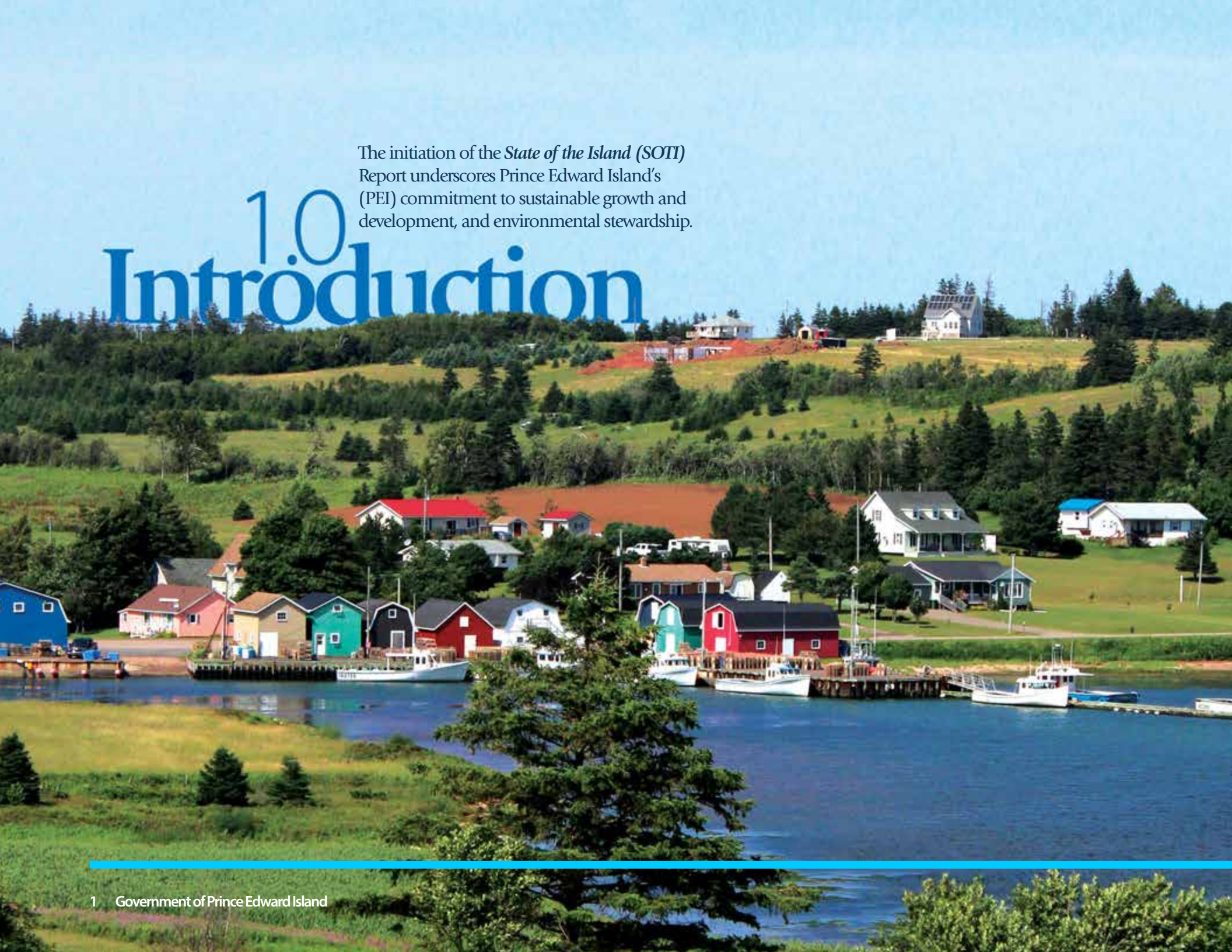
To stay within the scope of the original RFP, upcoming steps of engagement, organizational context, local policy, and best practices were intentionally excluded from this analysis, and instead will be included in the upcoming development of the land use plan.

The *SOTI Report* was developed using data that was collected between June and October 31, 2023, with some supplementary information released prior to February 2024. Due to the timeline of data release, some recent datasets may not have been available to the consulting team, particularly those which were not publicly released, or those which were released in early 2024. In addition, all property-related data is current as of October 2023, due to the collection timeline of parcel data.

The data included in this report was primarily collected and distributed to the consultant team by the Committee on Land Use. . All analysis was reliant upon the understanding that the provided data was the most up-to-date and relevant material available to this internal provincial body. Some datasets did not include adequate context, and are therefore referenced with the providing group where possible.

The data selected for this report has been presented at a scale that would be useful to inform policies at a provincial level. They are often broad in context to manage readability. Each investigation has the potential to have further analysis, and could be divided into smaller or large geographies. The consultants responsible for the creation of this report encourage policy creators to conduct further investigations where necessary to inform detailed and site-specific policies.

[For reference on project phasing and inputs, see 'Developing the Provincial Land Use Plan' and 'Inputs to Strategy Development' in Section 1.](#)



The initiation of the *State of the Island (SOTI)* Report underscores Prince Edward Island's (PEI) commitment to sustainable growth and development, and environmental stewardship.

10 Introduction



The Province of Prince Edward Island commissioned Intelligent Futures and DV8 Consulting in the summer of 2023 to prepare the *SOTI Report*, a compilation and analysis of existing datasets from across government departments. The project was borne from the recognition of the intrinsic relationship between land use planning and the broader objectives of government’s policies.

The *SOTI Report* explores current conditions and trends in the natural and built environments, as well as the economic and social conditions necessary to identify underlying issues. It also explores the implications these factors may have on current land use patterns and future land use planning policies. While largely focused on land-based findings from the natural and built environments, the *SOTI Report* also includes information on people, economic trends that may impact future development, retention, and Island diversity and inclusion.

**Welcome to the *State of the Island*
(SOTI) Report 2023 - 2024.**

1.1 Background and Planning Context

Land use planning is not a new topic for PEI, in fact, the issue has been studied for over 50 years. There has been an extensive body of work completed prior to this *SOTI report*, including:

- The *Royal Commission on Land Ownership and Land Use* (1973, the “Raymond Report”),
- The *Royal Commission on the Land* (1990, the “Boylan Report”),
- The *Round Table on Resource Land Use and Stewardship* (1997),
- The *Commission on Land and Local Governance* (2009, the “Thompson Report”),
- The *Commission on the Lands Protection Act* (2013, the “Carver Report”),
- The *Task Force on Land Use Policy* (2014), and
- The *Land Matters Advisory Committee* (2021).

These studies, conducted by teams of experts and advisory commissions, included in-depth research, public consultations, and stakeholder engagement. While they tackled different issues relating to land ownership and land use on PEI, a consistent thread throughout all these documents is the recognition that current land use and development trends are unsustainable. Each report identified key actions, made recommendations, and provided advice, emphasizing the importance of a province-wide planning framework and policies to address the specific issues identified.

Currently, the Land Division of the Department of Housing, Land and Communities has direct planning authority for 82% of the land area within the province (with the exception of First Nation or Federal land). This includes both unincorporated lands and incorporated municipalities that do not have Official Plans or planning and development bylaws. The remaining 18% of land consists of 29 municipalities each with their own municipal land use planning authority. Under the *Planning Act*, the Province also retains the responsibility to review the municipal official plans, land use bylaws, and related amendments for municipalities that have planning authority. To ensure that all lands are developed responsibly as the province continues to grow and change, the province has committed to the development of an Island-wide *Land Use Plan* (LUP).

1.2 Land Use Planning Influence

A review of policy documents and reports from across government departments, reveals a consistent call for the adoption of a provincial land use planning framework. These reports note that planning is deemed essential for addressing the interconnected issues relating to sustainable transportation, environmental conservation and wildlife management, coastal hazards and the impacts of climate change, and population growth and the housing affordability crisis.

The *Sustainable Transportation Action Plan* and the *Active Transportation Strategy* are key policy documents that highlight the connections between land use planning and transportation infrastructure development.

These documents emphasize the need for an holistic approach to planning that integrates the development of homes, businesses, and public spaces with transportation options that are efficient, eco-friendly, and conducive to reducing reliance on personal vehicles. This approach not only aims to decrease greenhouse gas emissions but also underscores the importance of land use planning in achieving sustainability and climate mitigation goals, as well as promoting health and wellness by supporting Islanders in making active, cleaner, and healthier transportation choices.

Land use planning in PEI is also a critical component for environmental conservation and wildlife management. It is essential to mitigate the adverse effects of development on wildlife and to ensure a balance between growth and conservation. The *State of the Forest Report* provides insights on the importance of maintaining forest ecosystems for their ecological services, including wildlife habitat. The *State of the Coast Report* emphasizes the vulnerability of coastal ecosystems and the need for policies that manage the intersection of natural coastal processes and development, which is crucial for the protection of diverse shore types and the species which inhabit them. The *PEI Wildlife Policy* underscores the province-wide responsibility to conserve wildlife and habitats, recognizing the interconnectedness of natural resource sectors and the socio-economic benefits derived from wildlife. Without coordinated land use planning, unregulated development can lead to habitat destruction and environmental degradation. This complicates conservation efforts and undermines the sustainability of wildlife and environmental resources.

The *State of the Coast Report* and the *Coastal Policy Interim Recommendations Report* recently noted that strategic land use decisions, especially for coastal floodplains, are necessary for climate change adaptation and the growth and development of resilient coastal communities. The *Climate Change Risk Assessment* identifies key climate-related risks, emphasizing the need for a coordinated response to mitigate impacts. The absence of integrated planning makes it more difficult to balance priorities between growth and development with the urgent need to safeguard PEI's coastal environments against the threats of climate change and coastal hazards.

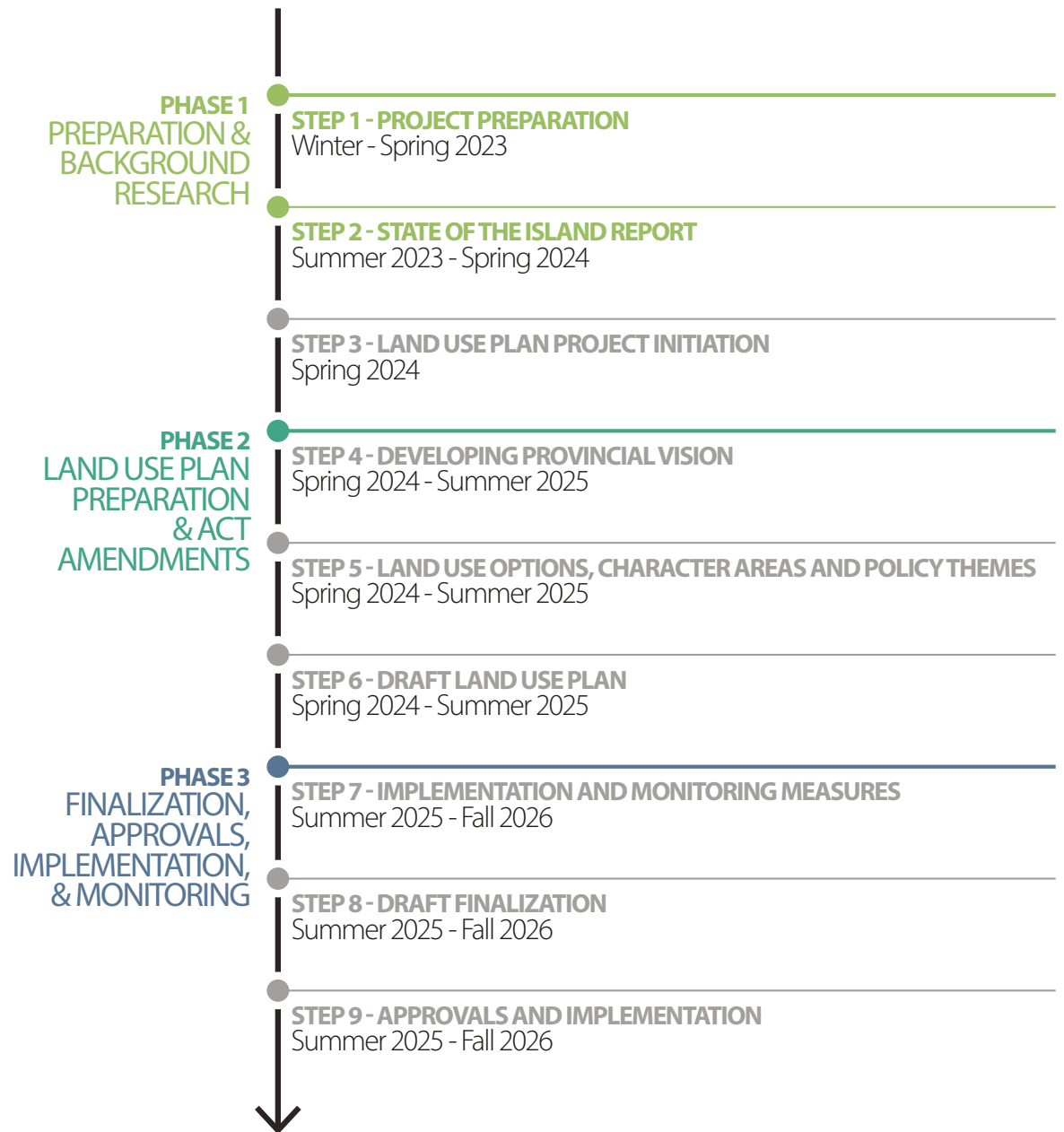
In addressing the housing crisis and accommodating projected population growth, PEI has recognized the indispensable role of land use planning in shaping the future of its communities. The newly released *Building Together Prince Edward Island Housing Strategy 2024-2029* outlines a comprehensive approach to address challenges with housing and permitting, and to work closely with municipalities.

The *Building Together* strategy emphasizes the importance of land use planning in supporting the government's policies on growth and the development of housing. It focuses on the efficient use of land, promoting higher-density developments, and ensuring that new housing developments are integrated with existing infrastructure and services. By guiding where and how development occurs, land use planning can help PEI meet its housing needs while preserving the character of communities and protecting the environment.

These policy documents and reports from government departments are an example of approaches that underscore the significance of land use planning in achieving sustainable development, environmental conservation, and the effective management of natural and built environments. The repeated calls from various government departments for the development of a comprehensive land use planning framework in PEI highlights a critical gap in policy and governance. This gap currently poses a challenge to sustainable development, environmental integrity, and the welfare of the Island's communities and natural ecosystems.

Step One: The SOTI Report

It is important to note that the *SOTI Report* is only the first step in the larger process of creating an Island-wide LUP. The intention for this stage of the process is to provide the most up-to-date information possible to support the development of the LUP.



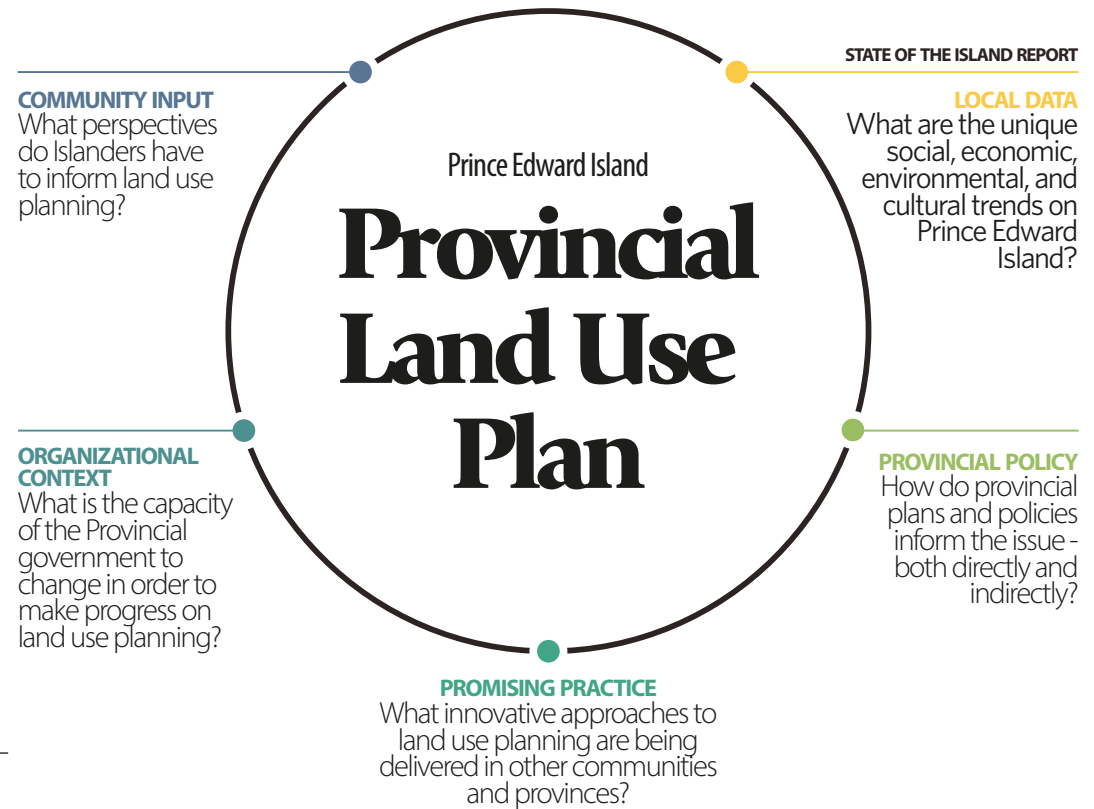
Land use planning requires a series of inputs to create policies to support thriving and vibrant Island communities, including community feedback, local data, plans and policies, organizational context, and promising practices. This *SOTI Report* satisfies the local data component for the upcoming land use plan. With this report's completion, the province can use this information to support the public components of the land use planning process.

The main outcomes for the *SOTI Report* are to:

- Provide an overview of the natural environment, built environment, economic and social conditions across the Island that need to be considered in the creation of new policies relating to land use and land ownership; and
- Identify land use trends that are a cause for concern and which may require revision.

1.3 Guiding Framework

To ensure the long-term resilience and sustainability of communities in PEI, it is important to implement informed and thoughtful solutions that serve the needs of today's populations without jeopardizing the capacity and opportunities for future residents. By prioritizing the well-being of both current and future generations, and the natural environment upon which they depend, it is possible to pave the way for the creation of communities that are not only more resilient, but also more vibrant and inclusive for all.



There are four interdependent, overarching thematic areas which contribute to the sustainability of Island communities. Understanding the significance of each area is essential for effective land use planning.

1. **Community, society and quality of life:** Supporting and enhancing diversity and inclusion is essential for creating communities where everyone can live their best lives. This thematic area focuses on the creation of inclusive environments where all individuals have equal opportunities to contribute to (and benefit from) societal progress. Land use planning plays a crucial role in this by ensuring that community spaces are accessible, safe, and designed to meet the diverse needs of its residents. More specifically, land use policies may address affordable housing, accessible public services, and spaces that encourage social interaction and cultural expression. Planning also contributes to building a cohesive society that values and protects its cultural and heritage features.
2. **The natural environment:** Protecting our natural resources and effectively managing and planning for climate change is foundational to sustainable development. The natural environment provides essential elements, like clean air and water, which are critical for human health and biodiversity. In land use planning, recognizing the value of ecosystem services is vital for developing strategies that minimize environmental degradation, preserve ecosystems, and ensure that natural resources are available for future generations.



Figure 1: Diagram showing the four systems of the State of the Island Report.

3. **The built environment:** The built environment encompasses our homes, workplaces, public buildings, and infrastructure, all of which play a significant role in determining our quality of life. Designing and building our communities to meet the current and future needs of residents is a key aspect of sustainability. Effective land use planning must consider the integration of sustainable building practices and energy efficiency, as well as accessibility to create spaces that promote social interaction, economic activity, and environmental responsibility.
4. **The economy:** Building a resilient and supportive economic environment is crucial for the well-being of society. A sustainable economy is one that can withstand local and global challenges, adapt to change, and provide opportunities for all members of the community. In the context of land use planning, this involves creating spaces that support a variety of industries and which encourage innovation, as well as fostering environments where businesses can thrive while being ecologically responsible. It must also ensure that economic growth does not come at the expense of environmental degradation or social inequality.

Understanding and integrating these four thematic areas into the future LUP will be essential in order to achieve sustainable development goals. Each area contributes uniquely to the resilience and vibrancy of communities, ensuring that they are well-equipped to meet the challenges of today and tomorrow. The *SOTI Report* uses these four systems of sustainability as a sorting mechanism for investigations. By focusing on the interdependencies of these areas, PEI can create holistic and inclusive land use strategies which promote the well-being of all community members as well as the natural environment on which all Islanders depend.

