

# 4.0 Land Use Implications

This *State of the Island Report* highlights elements that research has revealed will significantly influence land use planning and development patterns in PEI. The following high-level findings include considerations for the Land Use Plan development team which are intentionally neither all-encompassing nor instructive. They are instead intended to inspire future conversations in the ongoing evolution of the LUP.

1. **PEI's inconsistent local governance (municipal) framework provides obstacles for effective growth management.** The lack of province-wide municipal governance has significantly influenced land use planning and sustainable development in PEI. Currently, only 18% of land is located within municipalities with their own municipal land use planning authority. The remainder of the Island (with the exception of First Nation communities and National Government properties) is planned by the Province.

Dozens of plans and reports (detailed in [Section 1.1. and 1.2](#)) have emphasized the need for a land use plan to direct responsible growth and development across the Island. In the recent engagement conducted for the *Population Framework*, the lack of Island-wide land management planning guidelines was raised consistently as a significant barrier to sustainable growth. Participants stressed the urgent need for the Province to act, noting the urgency will only increase as the population continues to grow. Providing better protection for agriculture and forested lands, coastal areas, and environmentally sensitive areas while focusing on sustainable and safe growth for the province is of vital importance.

A variety of approaches to municipal governance can be considered when implementing a new approach to land use planning.

Some examples to consider include:

- a. Thoroughly engaging with Island residents, businesses, utility companies, and other impacted groups in the creation of customized Land Use Plan policies, objectives, and vision;
  - b. Creating an Island-wide land use document to govern provincial interests affecting land use planning matters with particular regard to non-planning authority municipalities of the province, providing broad policy objectives for planning authority municipalities;
  - c. Creating policies that are compatible with existing local, provincial and national protections and directions for land and built form on the Island;
  - d. Developing localized plans in areas of environmental, economic, or cultural significance where specialized criteria may be necessary;
  - e. Supporting the alignment of planning authority documents with the objectives of the Province-wide land use plan, and participating in the approval process of planning authority land use plans;
  - f. Reviewing and updating the policies kept within the land use plan every 5-10 years to adapt to the changing social, demographic, economic, health, or environmental conditions reflected in the plan;
  - g. Considering the amendment process for review in between update cycles, and determining the timeline and process under which amendments will need to take place;
  - h. Monitoring changes in population, demographic, economic, natural environment and built environment trends across the Island on an ongoing basis to inform further policy development and refinement;
  - i. Considering alternative approaches to approval and consent granting, such as through a Committee of Adjustment; and
  - j. Determining approaches and policies under the land use plan for: grandfathering or removal of non-confirming uses, temporary use permissions, the use of holding zones, site plan control, plans of subdivision and condominium, development charges, maintenance and occupancy standards, and permit applications.
2. **PEI's population is growing at the second-fastest rate of all Canadian provinces** (+8.0% from 2016 to 2021). Increased growth brings increased diversity and service delivery, but also a need for coordinated planning and development.  
  
On February 22, 2024, the province released the *Population Framework* document, with five main priorities:
    - a. Expanding critical infrastructure and public services;
    - b. Building and retain PEI's workforce;
    - c. Supporting land use planning and environmental sustainability;
    - d. Enhancing community connectedness and a sense of belonging; and
    - e. Creating long-term planning and reporting processes.The report also includes issues such as housing, health, education, public safety, transportation, and social development. Planning for the forecasted population increase will be key to fostering a sustainable and inclusive society and enhancing the quality of life for all Islanders.  
  
From a planning lens, there are many tactics to consider when thoughtfully implementing housing into new and existing communities.

Examples to consider include:

- a. Building complete communities where residents are able to access healthcare, essential services, public supports, and critical infrastructure in close walking distance to their homes;
- b. Supporting infill development that utilizes existing infrastructure, services and resources within an existing community, and which encourages improved infrastructure services in communities;
- c. Supporting development in spaces that collect taxes and/or development charges to support critical infrastructure in new areas;
- d. Encouraging development on year-round public right-of-ways that are easily accessible to public and emergency services, rather than seasonal and private roadways;
- e. Considering gentle densification options for existing residences with approaches including secondary suites, garden suites, supportive suites, and laneway housing; and
- f. Encouraging more dense forms of new development in existing municipal centres, including duplexes, townhouses, condominiums, cohousing, apartment buildings, and tiny home villages, as opposed to single-unit detached housing.

3. **PEI experienced higher rates of relative cost increases from May 2021 to January 2023** compared to the rest of Canada. Managing the long-term affordability of Island living requires support for both servicing and long-term planning.

*Building Together – Prince Edward Island Housing Strategy 2024-2029* was released on February 23, 2024, with the following vision: “All Islanders have access to adequate, affordable, and suitable housing.” The Strategy includes three strategic pillars: acceleration, affordability, and vulnerability. The LUP influences all three of these strategic pillars, but in particular the acceleration and affordability of housing forms.

It is important to note that PEI also has high rates of energy poverty and food insecurity compared to the Canadian average.

For land use planning, efforts to ensure residents can afford housing and services may be supported in many ways.

Examples to consider include:

- a. Reviewing and modernizing regulations to support housing supply increases, as well as a variety of housing forms and densities (see previous Section);
- b. Implementing approaches to streamline processes and sharing services to support efficient and effective planning, permitting and inspection approvals;
- c. Reducing routine building permit wait times to 30 days for home construction on recently approved lots, and prioritizing housing developments based on density and geographic areas;
- d. Supporting effective and timely building methods including modular or prefabricated housing, 3D printed housing, and smaller units with minimum footprints determined by a building code rather than the LUP;
- e. Incorporating inclusionary zoning as a planning tool that provides incentives or requirements for a specific percentage of affordable housing units for people with low-to-moderate incomes;
- f. Encouraging energy efficiency and onsite generation for residential, industrial, and commercial properties through geothermal, solar and other renewable energies;



- g. Allowing for a range of affordable development along the housing continuum throughout Island communities, including factors like affordable housing units, proximity to cultural hubs, municipal centres, goods and services, healthy food retailers, commercial areas, employment, medical and health facilities, recreation, transit and recreation;
- h. Considering alternative approaches to funding housing developments, including through bonusing, community benefits charges, and land-banking and/or housing-first dispersal of surplus provincial or municipal lands;
- i. Encouraging localized food production and distribution in urban and rural centres by allowing urban agriculture, potentially including urban hens, bees, community gardens, rooftop gardens, fruit forests, and biodiverse public park plantings; and
- j. Undertaking attainable housing pilot projects that demonstrate building approaches to walkable and sustainable communities in communities with existing services.

4. **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.** Agriculture and related sectors including agri-tourism, manufacturing, and distribution make up a large portion of PEI's economic profile. Continued land loss is anticipated to greatly impact the Island's economy.

The Province is currently developing the *Next Policy Framework (NPF) for Agriculture (2023 to 2028)*. As a part of this Framework, there have been a series of public engagements, some of which are documented in the [Agriculture Section](#). In meetings held with industry and community groups, the following agriculture priorities were identified: productivity and profitability, value-added and agri-food processing, markets and trade, research and innovation, labour, environmental sustainability, business risk management programs, financial sustainability and new entrants, public trust and awareness, gender, diversity, and inclusion and land administration.

There is much overlap between land use planning, and the identified priorities highlighted in the NPF for Agriculture engagement.

Some examples to consider include:

- a. Identifying and creating protection policies for prime agriculture areas using Land Evaluation and Area Review (LEAR) or other agricultural land identification tools;
- b. Implementing protections for prime agricultural land potentially including first parcel out policies, greenbelt protection areas, agricultural land reserves, urban-rural buffer zones, or minimum and maximum density requirements;
- c. Applying Smart Growth principles to the consideration of new developments to manage urban growth with limited loss of prime agricultural lands;
- d. Ensuring existing agricultural operations continue to have access to land, including sufficient local roads to accommodate agricultural machinery;
- e. Encouraging the incorporation of communal gardening spaces and edible landscaping into multifamily developments and new neighbourhood design;
- f. Prioritizing soil management, including its reuse and recycling, as a part of specialized planning areas, as well as agricultural subdivisions;

- g. Prioritizing reclaimed lands as a benefit to the agricultural system with consideration for the environment, land, water resources and surrounding agricultural operations;
- h. Identifying water access needs and requirements for new agriculture initiatives, and propositions going through development processes;
- i. Supporting and providing opportunities for value-added agriculture (agri-innovation) throughout Prince Edward Island;
- j. Allowing for temporary farm labour-dwelling units;
- k. Allowing for alternative forms of agriculture such as aquaponics, aeroponics, and warehouse farming; and
- l. Prioritizing agricultural and coverage opportunities that work to: protect and restore local biodiversity, improve healthy riparian areas and wetlands, encourage local food production, promote ecological resilience to climate change and improve or maintain air quality.

5. **PEI has experienced a loss in forest lands.** Sprawling development paired with the impacts of climate change have led PEI to perpetually lost forestry lands. Without proper land use strategies that prioritize ecological conservation alongside development needs, the Island faces continual loss of these ecologically and economically valuable landscapes. The State of the Forest Report emphasizes the importance of protecting the Island's forests from agriculture and development.

There are a series of approaches that land use planning can pursue to protect valuable forested and ecological lands.

Some examples to consider include:

- a. Identification and evaluation of significant woodlands and other naturally significant environmental areas using public criteria, potentially including: woodlot age, size, site quality, diversity of biological communities and associated species, open space amenity needs, habitat for species at risk, or distinctive, unusual or high-quality natural communities or landforms;
- b. Preparing a forest management bylaw to dictate the size of trees considered appropriate to cut, as well as appropriate forestry practices for differing sizes of forest lots;

- c. Discouraging development and site alteration in significant woodlands unless it has been demonstrated that there will be no negative impacts on the natural features or their ecological functions, such as through a Environmental Impact Assessment;
- d. Attributing a natural asset replacement value to natural features across the province, including wetlands and trees;
- e. Encouraging proper forestry management practices through watershed or conservation authorities;
- f. Incentivizing reforestation practices in new neighbourhoods, or encouraging environmental design through Green Development Standards;
- g. Promoting continued visitor access to natural areas, with specified ecotourism regulations;
- h. Emphasizing Indigenous land rights and conservation agreements; and
- i. Protecting core natural areas, including carbon sinks and wildlife pathways, using greenbelts, conservation zones, riparian buffer areas surrounding sensitive land uses, or protected forestry size allotments.

6. **Income and associated living costs are not equally distributed across the Island**, and it is important to consider support from a land use perspective. Social supports, and a variety of housing forms across the Island, must be widely available, particularly in populations experiencing inequality. The PEI Advisory Council on the Status of Women, the Women in Prince Edward Island Statistical Review, and the Climate Adaptation Plan discuss approaches to include a diversity of historically marginalized and vulnerable populations in land use conversations

There are a variety of approaches to ensuring the LUP process and policy aligns with the needs of vulnerable populations. Some examples to consider include:

- a. Ensuring that public land allocations include gender and diversity analysis;
- b. Meaningfully consulting with Indigenous Nations through partnership and inserting traditional knowledge, including Mi'kmaw knowledge, into the creation of land policies;
- c. Co-creating policies with a diverse group of Island representatives, including those with various intersectional identities for gender, race, ability, and income, and removing barriers for these groups to participate in decision-making;

- d. Building spaces that are accessible to everyone, including those with physical, sensory, mental, or developmental disabilities. This includes the creation of barrier-free buildings, entrances, sidewalks, loading areas, recreational spaces, emergency services, transportation, social services and parks;
- e. Providing a variety of affordable public amenities in spaces with high concentrations of vulnerable populations, or low-income populations; and
- f. Supporting resilient design that discourages building in floodplain areas, areas of higher risk of extreme weather events, or areas with periodic limited access, in order to remove the risk of future displacement.

7. **There is a significant urban-rural divide which has land use implications for PEI.** Differences in taxation, paired with PEI's high frequency of leapfrog development, have created challenges for centres that must provide services for residents from unincorporated areas. The equalization taxation structure of the Island helps to mitigate some of this divide, yet much can be done to better support the balance of development and servicing.

The Report of the Task Force on Land Use Policy (2014), the Report of the Commission on Land and Local Governance (2009), and Now is the Time (2021) all speak to methods which provide guidance on unifying direction for land use across the Island.

To create a unified land use plan for provincial direction, the *Report of the Task Force on Land Use Policy* identified 10 policy areas for the Island, under sections Protect the Natural and Built Landscape, Protect Resource Industries, and Encourage Safe, Healthy, Viable and Sustainable Communities. These policy areas are in addition to the report's 10 primary recommendations. The Report of the Commission on Land and Local Governance, and the Now is the Time strategy, have 40 and 13 recommendations respectively. Many of the recommendations are in relation to taxation and participation, but the documents also identify specific recommendations for the Land Use Plan and should be considered in the Plan's development.

There are a variety of considerations for how land use planning could help lessen the strain on infrastructure that is often a part of the urban / rural divide.

Some examples to consider include:

- a. Leveraging 50 years of study on land use to adopt a province-wide land use planning framework, prioritizing resource land and coastal land;
- b. Creating a Land Use Vision Map and broad planning “zones” to be applied Island-wide;
- c. Establishing the preservation of agricultural land as a priority, and including an agricultural reserve zone, where appropriate, in all municipal and provincial land use plans;
- d. Protecting vital water areas and natural resources across the Island using buffer zones, watershed boundaries and other strategies to protect surface and groundwater resources; and
- e. Encouraging all municipalities with an existing official plan and a zoning and development bylaw to adopt conditions on subdivision development which are similar to those in effect in Summerside, Cornwall, Charlottetown and Stratford.

8. **The majority of subdivision development has taken place in unincorporated areas of the Island.** Uncoordinated growth and development can challenge efforts to create spaces that are vibrant and accessible. Development outside of municipal areas that already have servicing and amenities can undermine the ability of small municipalities to provide appropriate services for their own residents.

Many of the previously mentioned Sections identify considerations for reducing development outside of municipalities.

Some new examples to consider include:

- a. Implementing province-wide interim regulations to further regulate subdivision and development in areas without an official plan until a province-wide land use planning framework is adopted;
- b. Restricting the conversion of agricultural parcels larger than 100 acres and natural land uses to subdivision land;
- c. Identifying targeted growth areas to incentivize future development; and
- d. Reclassifying municipal zones which are ideal for development with more building unit allowances.

9. **PEI has a disproportionately high number of secondary houses (investment properties) in comparison to other provinces, at 27%, particularly for out-of-province (6.4%) and non-resident ownership (5.5%).** The Lands Protection Act documents a series of policies in place to limit off-Island ownership, as well as differential rates for property taxation. Encouraging secondary housing investment that remains appropriate to the services available in an area is essential to ensure that emergency and other services are not strained by demands from properties on seasonal or private roads.

There are a variety of ways to ensure the safe delivery of secondary houses, particularly those which may be classified as “cottages” existing around PEI’s water resources.

Some examples to consider include:

- a. Establishing a logical development pattern in areas outside of planning authority boundaries, potentially involving clustering development in secondary home ownership areas as identifiable communities;
- b. Phasing development in ecologically sensitive areas (such as surrounding a water feature) to monitor potential impact to the water body;

- c. Requiring a feasibility study of municipal services, and the potential impact on surrounding environmental areas (if appropriate);
  - d. Addressing servicing to the site, and limiting the density of the development if taking place on a private or seasonal road; and
  - e. Developing fronting policies for secondary units occurring around waterbody features to ensure public access to PEI's waterfront.
10. **PEI's seasonal economy puts pressure on workers in times of increased challenges.** Planning will need to consider the housing and economic allowances necessary to support those in the seasonal workforce, as well as ways to support a diversified economy. The Prince Edward Island Economic Action Plan 2021-2026 sets out five key priorities, including:
- a. Create an outstanding environment where businesses and communities can thrive
  - b. Develop a growing, diverse and skilled workforce necessary for PEI's economic future
  - c. Stimulate innovation and sector-by-sector growth in a changing global environment
  - d. Drive entrepreneurship to power PEI's economic success
- e. Build PEI's reputation as innovative and clean
- There are a series of land use policies which could positively influence the development of a diversified economy, and which also support the continued success of the Island's seasonal industries.
- Some examples to consider include:
- a. Continuing the allowance of temporary, seasonal residences for labour support;
  - b. Providing services and amenities in proximity to areas with seasonally employed residents;
  - c. Accelerating secure high-speed internet access across the Island;
  - d. Creating vibrant community hubs that revitalize and grow communities and attract people and businesses;
  - e. Promoting integrated community planning that incorporates economic, social, and environmental criteria and identifies linkages and shared services with surrounding urban and rural areas;
  - f. Accessing support for innovative business and community-led solutions to address affordable housing,
- transportation, and childcare needs in rural and urban communities;
- g. Promoting the creation of winter city infrastructure in the 'off-season';
  - h. Enabling value-added food programming and value-added agriculture; and
  - i. Permitting innovative development approaches that support the Island's economy and retention.
11. **PEI has the highest proportion of private land (88%) of any province in Canada,** especially when considering that only 11% of Canada is privately owned. As a result, the Island also has the lowest proportion of protected lands of any province or territory. The land use plan is necessary to ensure Island-wide protection of natural resources on these private lands. Stewardship strategies will need to be considered in tandem with land protection policies to effectively retain PEI's natural views and heritage.
- In considering protection of resources unique to PEI, there are a variety of approaches that land use can support, including the creation of the LUP itself.



Some examples could include:

- a. Cataloging significant natural, heritage, or economic areas of significance in the land use plan using a public set of criteria;
- b. Continuing to retain the current buffer zone legislation which requires that landowners restrict activities within a specified distance adjacent to all watercourses;
- c. Identifying and managing the removal of significant woodlands;
- d. Protecting cultural and natural heritage buildings, views, assets and districts of significance to the Island's economy, history, and culture; and
- e. Implementing protections for prime agricultural land potentially including first parcel out policies, greenbelt protection areas, agricultural land reserves, urban-rural buffer zones, or minimum and maximum density requirements.

12. **There is inherent vulnerability in being an Island during climate change.** PEI's natural vulnerabilities stem from its geographical and environmental characteristics. The coastline is susceptible to coastal erosion and flooding, exacerbated by rising sea levels and storm surges. Its sole reliance on groundwater for all its fresh water needs places significant pressure on

water resources, making them vulnerable to contamination and over-extraction. The land use plan must ensure the protection of its coastlines, increased resilience measures and socioeconomic supports, and will need to be developed with future servicing and groundwater protection within its policies.

*The PEI Interim Coastal Policy Recommendations Report (2023), PEI's Climate Action Plan (2022), and the Net Zero Framework (2022)* identify a series of policy considerations in relation to land use and its connection to changing coastal and climate-related vulnerabilities. Some examples for consideration include:

- a. Adopting an interim planning policy for coastal development;
- b. Creating shoreline management plans for developed coastlines with established land use planning policies to restrict new shoreline alterations;
- c. Expanding the environmental buffer zone and updating the regulations to reflect current working policies;
- d. Developing a public beaches access policy and/or legislation;
- e. Supporting municipalities to address coastal hazards and environmental protection;

- f. Enhancing emergency preparedness and response capabilities to better manage the impacts of extreme weather events;
- g. Assisting key industries, such as agriculture, fisheries, aquaculture, tourism, heritage, and culture, to adapt to changing climatic conditions;
- h. Implementing measures to protect and restore ecosystems and biodiversity in the face of climate change;
- i. Promoting the adoption of electric vehicles, improving public transit, and investing in active transportation infrastructure;
- j. Implementing programs for energy-efficient equipment and insulation in homes and businesses, and encouraging the use of renewable energy sources;
- k. Supporting sustainable agricultural practices, including research initiatives on fertilizer use and soil health;
- l. Enhancing carbon capture through tree planting and the exploration of new technologies for carbon sequestration; and
- m. Encouraging clean technology in industrial processes and improving waste management practices.

13. **PEI spends a substantial amount of money per capita maintaining public roadways.** PEI has 4,411 km of paved public roadways, the highest number per capita of all Canadian provinces. The public cost of maintaining and upgrading PEI's roads is significant, and it is estimated that the Province spends \$445 per capita / per year to maintain the Island's road network. Car travel is the primary form of commuting for 92.4% of Islanders. With nearly half of these individuals commuting for less than 15 minutes, there is a significant opportunity to encourage more active forms of transportation. In 2021, only 1.4% of Islanders used public transit as their main mode of commuting, compared to 7.7% nationally.

The *Active Transportation Strategy (2021)* and the *Sustainable Transportation Action Plan (2021)* identify actions that relate to land use planning improvements.

Land use planning can improve safety and the improvement of route connectivity for active transportation. It can influence development patterns to be more amenable to active transportation, transit, and alternatives to automotive vehicles. Some policy examples to consider include:

- a. Encouraging development patterns that support active transportation and public transit by identifying areas suitable for future growth and by establishing standards for subdivision and development design;
- b. Improving road infrastructure (such as cycling lanes, wider shoulders, and roundabouts) to construct and protect right-of-ways for active transportation and public transit corridors;

- c. Encouraging the development of complete streets;
- d. Providing dedicated and priority space for active transportation and transit corridors;
- e. Providing compatible transportation options for loading and drop-off locations for people with disabilities;
- f. Encouraging new developments to use existing gridded roadways rather than creating new private roadways or cul-de-sac developments;
- g. Prioritizing public safety and accessibility in the creation or new roadways and transportation infrastructure;
- h. Ensuring planning authorities consider the full range of transportation needs within their areas of jurisdiction; and
- i. Requiring active transportation and alternative transportation-supportive infrastructure onsite with new developments including bike racks, electric vehicle charging stations, and bike lockers.

This section is intentionally limited to policy considerations related to the key findings found within the *SOTI Report*. There are numerous elements within this Report that will require additional policy consideration that are not specifically identified here. The policies and approaches listed within this section are merely provided as examples to demonstrate how these learnings may apply to land use planning. For additional policy considerations, please see the recommendations in the policies listed in [Sections 1.1 and 1.2](#).



# .5.0 Moving Forward

With the completion of the *SOTI Report*, the Province of PEI has now finished the first step in creating an Island-wide *Land Use Plan*. Continued connections with other Island-wide reports, including the *State of the Coast Report*, and the *State of the Forest Report*, will guide conversations and policy development. In combination, they will arm the Province with an informed overview of the trends, themes and impacts for both PEI residents and the lands upon which they reside.

The creation of an Island-wide Land Use Plan will include the following phases:

- **Phase 3:** Main project initiation for Land Use Plan and modernization of the planning system
- **Phase 4:** Developing a provincial vision for land use
- **Phase 5:** Land use options, character areas and policy themes
- **Phase 6:** Developing draft land use plan and act/regulations amendments
- **Phase 7:** Developing implementation and monitoring measures
- **Phase 8:** Finalizing drafts
- **Phase 9:** Approvals and implementation

This *SOTI Report* satisfies the local data component for the upcoming Land Use Plan, and the province can use this information to support the public components of the land use planning process. Through each of these subsequent phases, the province will consider additional community input, local data, plans and policies, organizational context, and promising practices.

With ongoing collaboration, the Province has an opportunity to shape the future of PEI communities, supporting them to be more sustainable and resilient to ongoing changes. Now, it's time to get to work making this vision for the future a reality for all residents of Prince Edward Island.