

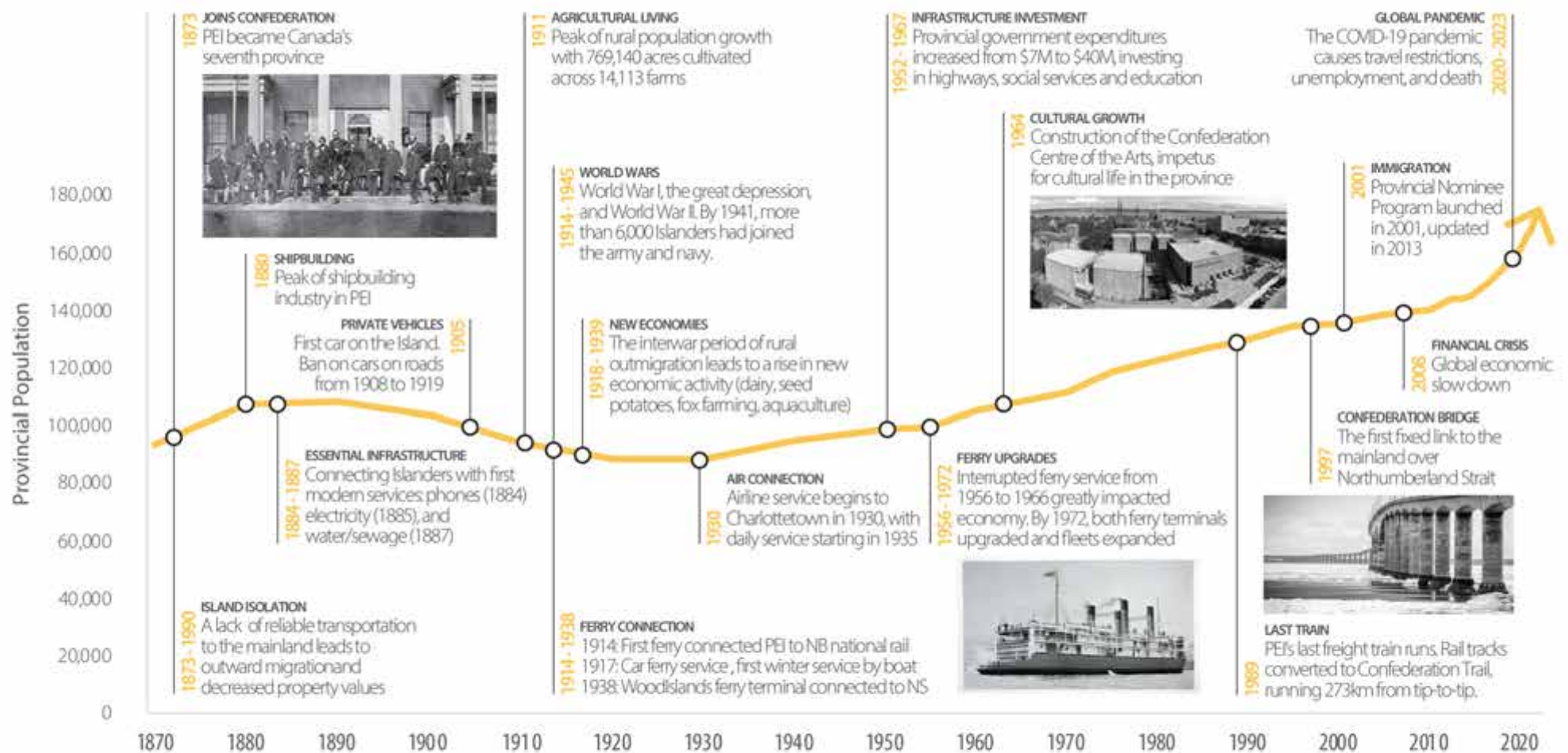


## Community, society and quality of life

### 3.1.1 Population and Demographic Growth

PEI, or Epekwitk, as it is known by the Epekwitnewaq Mi'kmaq, is Canada's smallest and most densely populated province. With just 5,656 square kilometers (km<sup>2</sup>) of land, it is host to a range of both rural and urban areas. PEI is located in Mi'kma'ki, the ancestral lands of the Mi'kmaq people. The Epekwitnewaq Mi'kmaq have stewarded the lands and waters of Epekwitk for centuries.

Today, PEI is home to an estimated 175,853 people.<sup>1</sup> Since becoming Canada's seventh province in 1873, the demography of PEI has continued to be shaped by a number of historical factors that have alternatively attracted migration to the province or seen residents leave in search of economic opportunities (see **Figure 2**). In the late 19th century, PEI saw the peak of its shipbuilding industry and a boom in agricultural exports. At the same time, a lack of reliable transportation options to the mainland limited the extent of growth. In the 20th century, the global impacts of war and depression led to economic challenges and limited growth on the Island, in spite of a diversifying agricultural sector.



## Prince Edward Island population and major events over time, 1871 - 2023

Note: Population until 2021 is notated by census data. Short-term fluctuations in population migration may not be captured.

Figure 2: Timeline of population with major events overtime.<sup>23,45</sup>

Post-war government spending focused on a process of modernization, prompting improvements to provincial transportation infrastructure, social services, education, and cultural offerings across the province.

In the last 30 years, a more connected PEI has seen the arrival of new opportunities and challenges. In 1997, the inauguration of the Confederation Bridge provided a new link for travel to the mainland from the Island, via New Brunswick. Emphasis on connectivity has also taken the form of increased access to telecommunications in rural areas, allowing for new remote work opportunities. Meanwhile, the joint federal-provincial implementation of the Provincial Nominee Program (PNP) in 2001 has led to an increase in international migration.

While this focus on connectivity has brought these opportunities to the Island, it is not without challenges. Like much of the world, PEI saw the arrival of the COVID-19 pandemic in 2020, and with it, social distancing and multiple layoffs within affected businesses. Since reopening the Island, the province continues to experience rapid growth, with a substantial increase in interprovincial migration.

The most notable growth and demographic trends of the past 10 years are detailed below.

### Population Growth

Since 2016, the population of PEI has grown at the fastest rate in the province's history, eclipsing the Canadian average. In 2017, the Province released *Recruit, Retain and Repatriate: A Population Action Plan for Prince Edward Island*.

The plan set a population target of 160,000 residents by 2022 in order to support the province's aging population and mitigate an outward migration trend.<sup>6</sup> According to the province's quarterly population reporting, PEI surpassed its target in 2021, and by the end of the year, the population had reached 163,775 (see **Figure 3**).<sup>7</sup>

PEI's population was estimated to be 175,853 people on October 1, 2023. This represented a 4.0% increase over October 1, 2022, reflecting the addition of 6,707 people and the largest year-over-year increase PEI's population since 1951.<sup>1</sup>

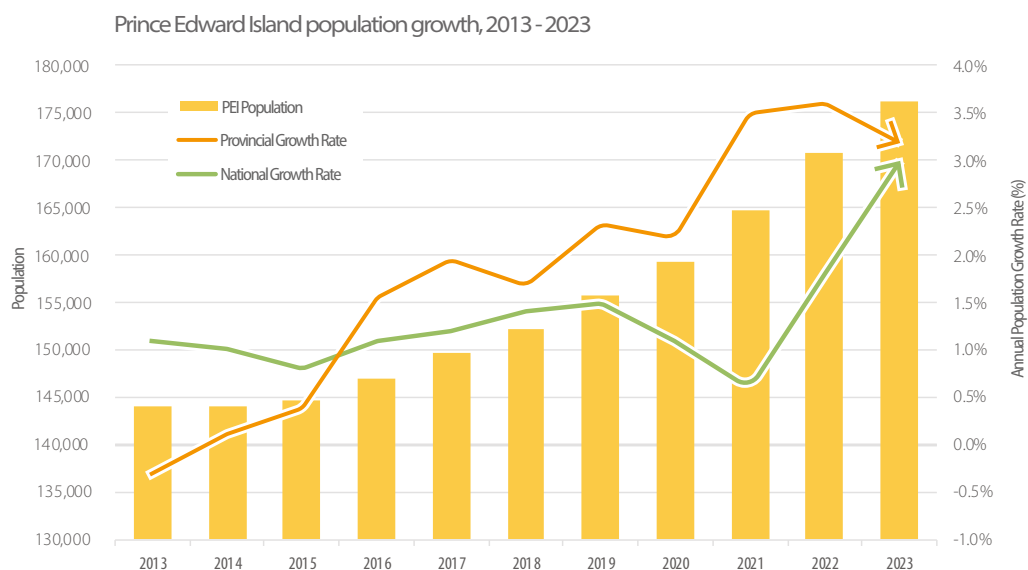
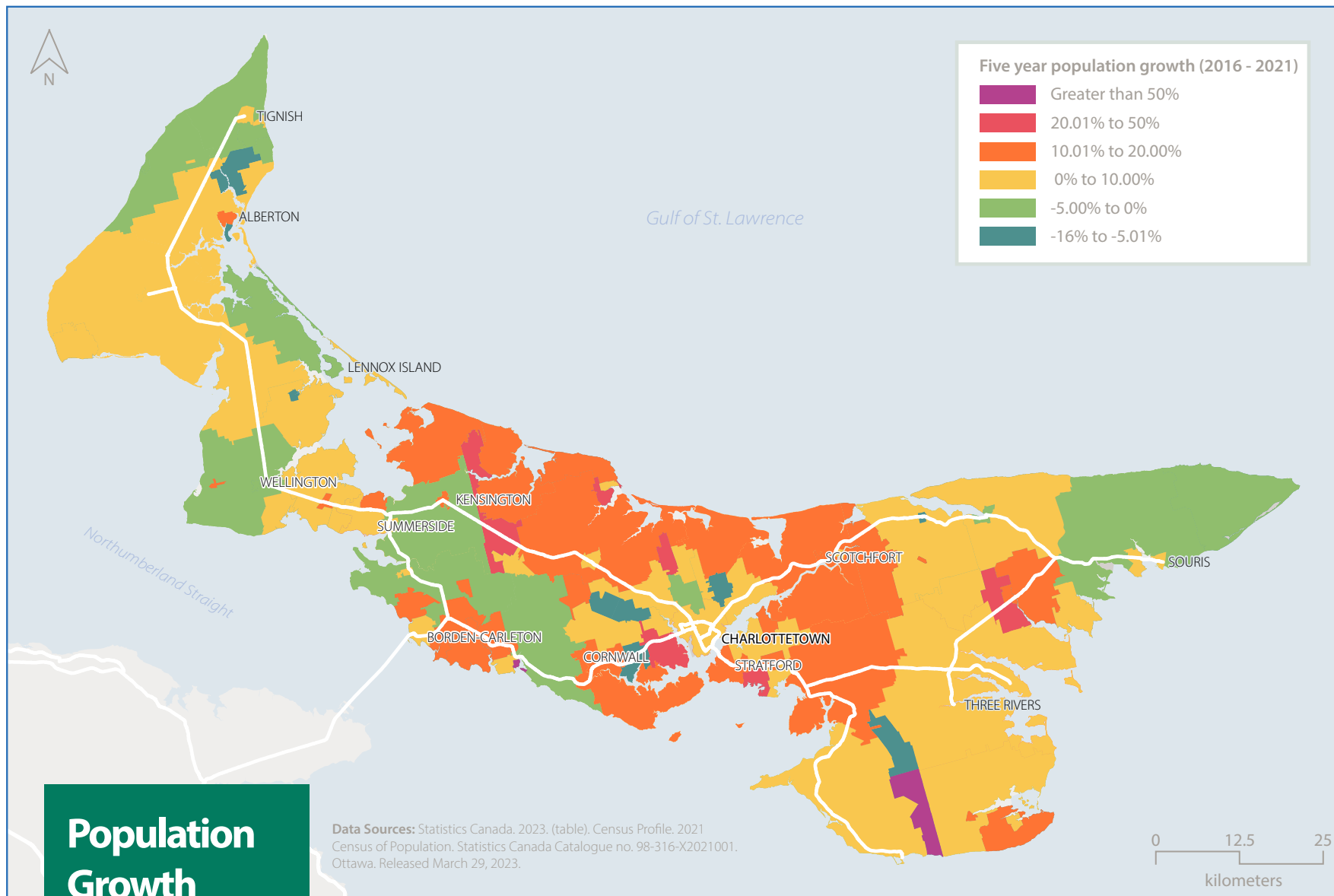


Figure 3: Island annual growth rate over the past 10 years.<sup>1</sup>



This map displays population change for PEI over a five year period from 2016 to 2021.  
Note: Map areas are delineated by Census Sub Divisions (CSD). Some CSDs include islands with no population - in this case, the data is representative of the greater CSD.

This product is for informational purposes only, and is not to be used for legal descriptions, or to calculate exact dimensions or areas.

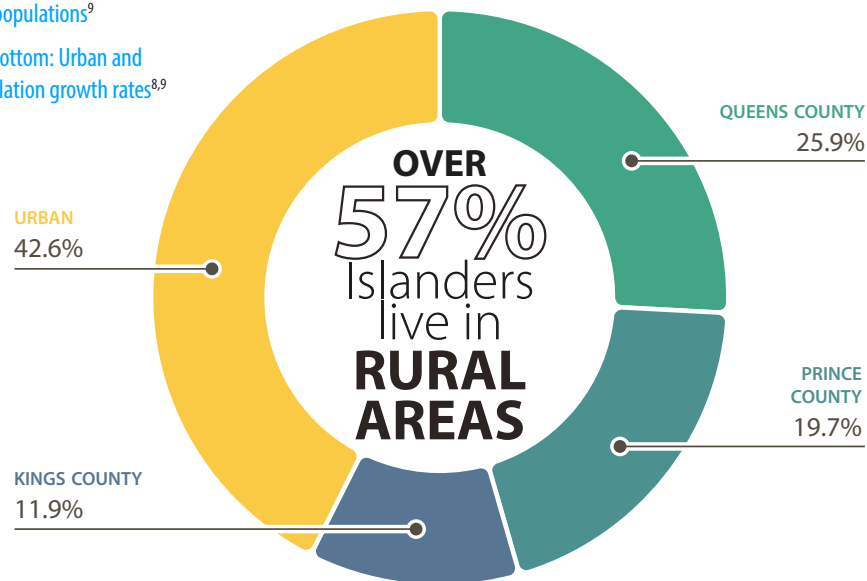


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Figure 4, top: PEI's urban and rural populations<sup>9</sup>

Figure 5, bottom: Urban and rural population growth rates<sup>8,9</sup>



As stated in the *PEI Population Framework*, PEI, like other regions, is now grappling with pressures such as housing availability and affordability, access to primary care, early learning and child care, and pressures on educational infrastructure and programming. However, it's essential to acknowledge that population growth also brings about positive impacts. A growing population can contribute to economic development, cultural diversity, and a broader talent pool.

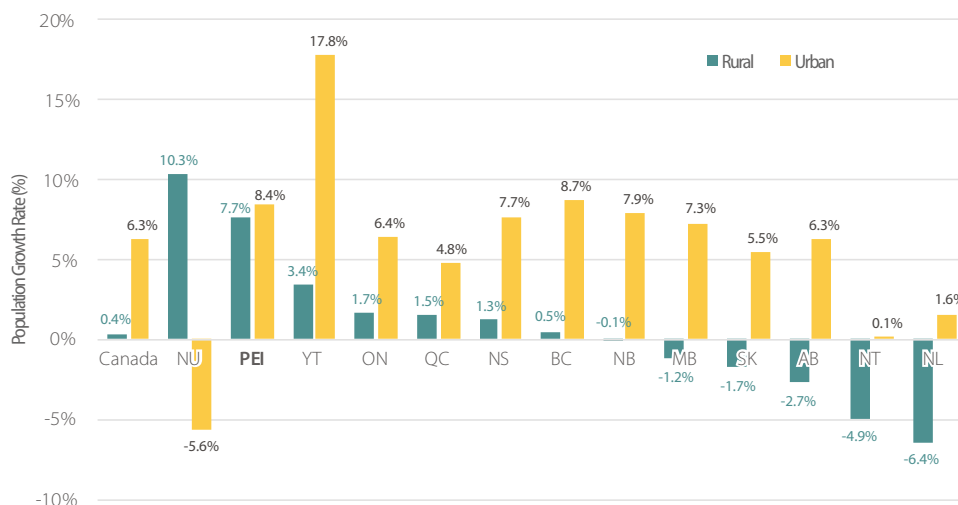
The map on the prior page displays those areas within PEI which have undergone population growth or loss between 2016 and 2021. The largest net increase in population is found in the municipalities of Charlottetown, Summerside, Stratford, Cornwall, and Three Rivers. Other areas exhibiting moderate-to-high net population growth include the Rural Municipalities of West River and North Shore, as well as the unincorporated area found on the north shore of central Queens County.

### Urban and Rural Growth

Population growth across the Island has not been distributed uniformly. While more than 80% of Canadians live in **urban areas**, less than 43% of Islanders live in the urban areas of Charlottetown, Stratford, and Summerside.<sup>8,9</sup> Over time, Island residents have moved away from farms and in rural areas to live in suburban and urban communities, with urban populations continuing to grow at a faster rate than their rural counterparts.

From 2016 to 2021, PEI's urban population increased 8.4%, compared to a 7.7% increase in rural populations. Rural and urban populations reflected the second and third highest growth rate in Canada during this period.<sup>8</sup>

Rural and urban population growth rates, 2016 - 2021





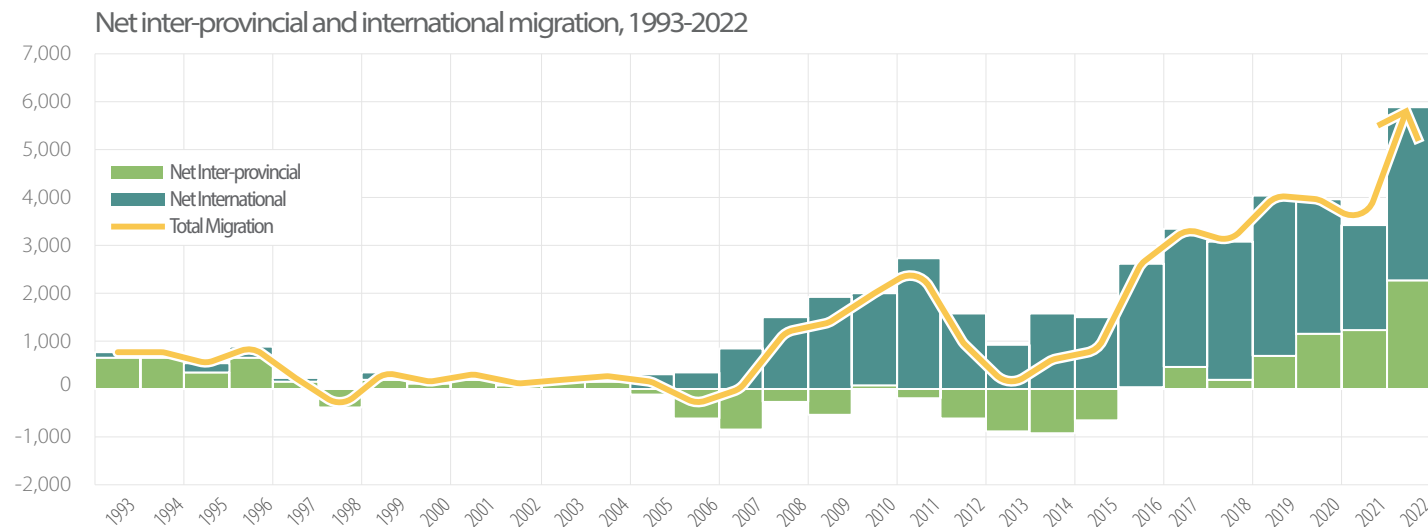


Figure 6: Graph showing net international and interprovincial migration over time<sup>10</sup>

In examining population growth patterns, it is clear that **immigration** and **interprovincial migration** are necessary to ensure PEI can continue to support its aging population. The Island's natural growth rate (the number of annual births and deaths) has been low-to-negative in the last 20 years. This natural growth rate has contributed fewer than 300 gains or losses in net population in any respective year.

In the five years preceding 2021, 6% of the population of the Island had moved to PEI from another country. Most of these newcomers settled in urban areas (see **map: International Migration**).

Net immigration in 2021-2022 was estimated to be 5,187 persons; of this group, 3,116 were international immigrants, 2,098 were net non-permanent residents (NPRs), with 233 Canadians abroad returning to the province and 260 immigrants leaving the province.

## International Immigration

Immigration rates in PEI have been growing since 2004, following the 2001 adoption of the Provincial Nominee Program (PNP) as well as other factors that have made PEI an attractive location for new residents.<sup>11</sup> In 2021 and 2022, more than 3,000 people moved to PEI from other countries. With a rate of 18.3 immigrants per thousand people, PEI has the second-highest immigration rate among Canada's provinces, compared to the national average of 11.9 immigrants per thousand.<sup>1</sup> More detailed information on population growth can be found in the *Population Framework*.

The settlement patterns of international immigrants (see **map: International Migration**) indicate that people who have immigrated to PEI in the past five years make up more than 10% of the population in urban areas, and 2.2% or less across rural regions.

Net immigration in 2021-2022 was estimated to be 5,187 persons; of this group, 3,116 were international immigrants, 2,098 were net non-permanent residents (NPRs), with 233 Canadians abroad returning to the province and 260 immigrants leaving the province.<sup>1</sup>

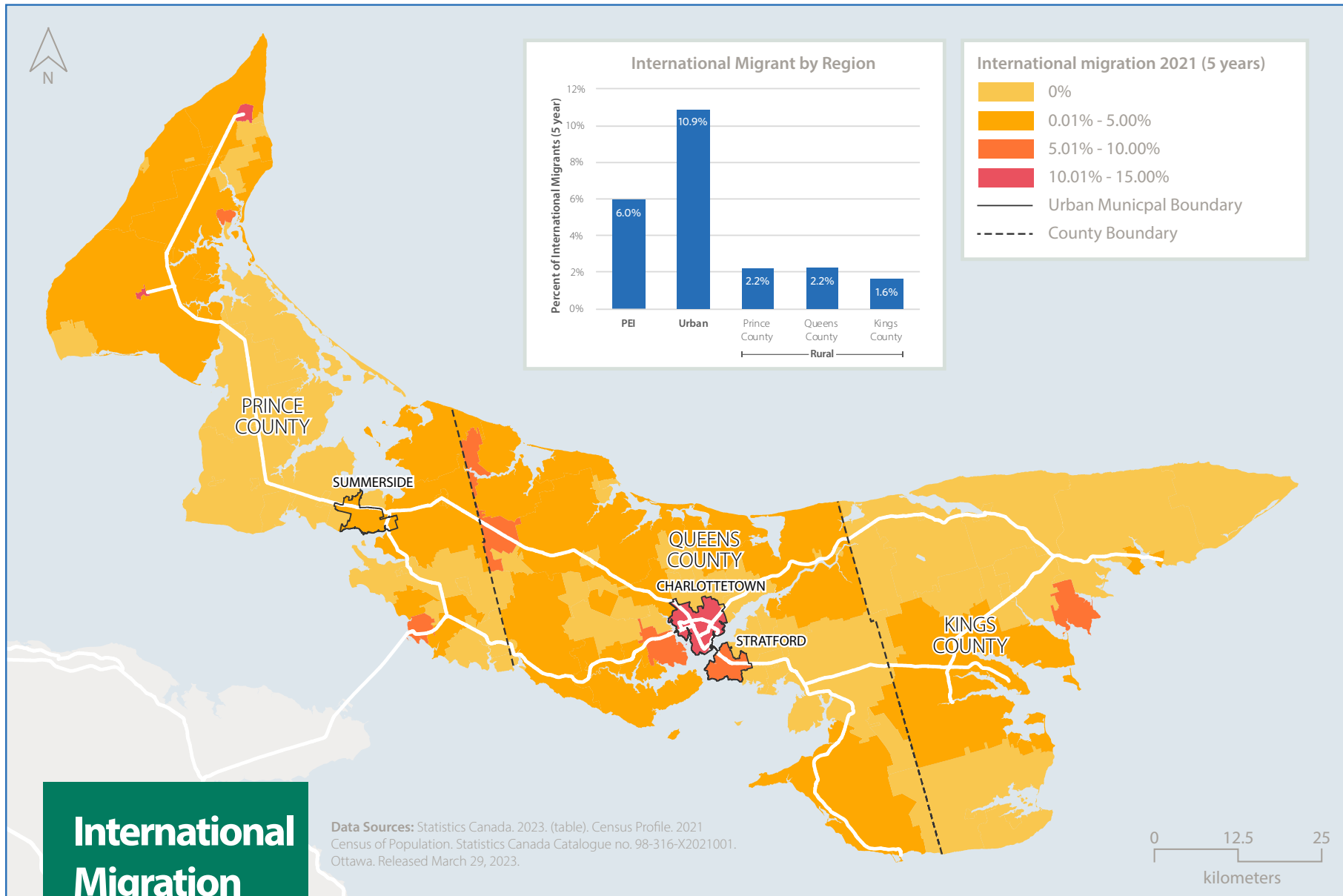
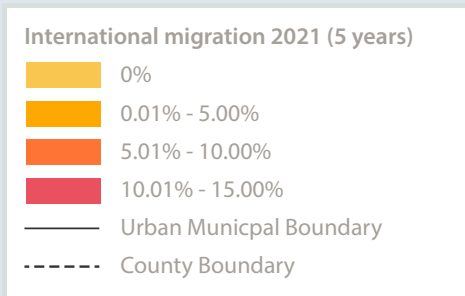
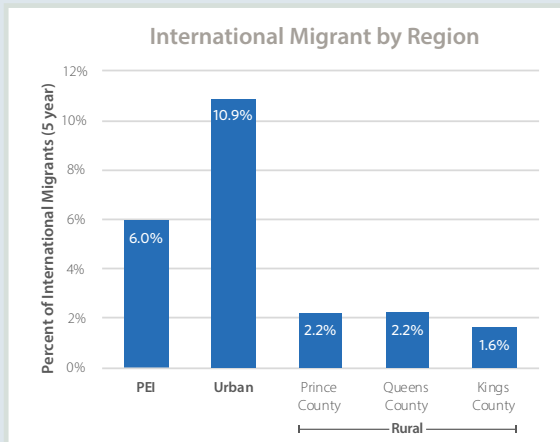
## Study and Employment

Non-permanent residents with work permits made up 52.2% of all NPRs in PEI in 2022-2023. Some 37.2% held study permits, 7.5% had both work and study permits, 2.9% held other permits, and asylum seekers were 0.3%.<sup>1</sup> Because of Canada's rules for study permits (requiring employment nomination within a certain amount of time), immigrants with study permits are more likely to move elsewhere after completing a degree than immigrants nominated by family.

An estimated 36.6% of immigrants who first came to Canada after 2016 temporarily on work or study permits or as asylum claimants are ultimately admitted as permanent residents."<sup>12</sup>

On January 24, 2024, The Government of Canada announced it would limit the number of international student permits issued to approximately 360,000 for 2024, a decrease of 35% from the previous year.<sup>13</sup> This was implemented as a response to increased intakes to drive revenues in some institutions, with more students arriving in Canada without the proper supports necessary to succeed. The announcement highlighted "rapid increases in the number of international students arriving in Canada also puts pressure on housing, health care and other services."<sup>13</sup>

**Takeaway:** The volume of international study permits will largely influence the number of units necessary in urban centres to house these populations.



# International Migration

**Data Sources:** Statistics Canada. 2023. (table). Census Profile, 2021 Census of Population. Statistics Canada Catalogue no. 98-316-X2021001. Ottawa. Released March 29, 2023.

This map displays the percentage of international migrants during the past 5 years prior to 2021, as a proportion of the total population. Urban areas are defined in PEI as the the City of Charlottetown, City of Summerside, and Town of Stratford.

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## Retention

The retention of immigrants has historically proven challenging for PEI, and indeed, the Atlantic provinces at large. A report on immigration patterns from 2010 to 2019 showed that PEI performed poorly relative to other provinces in retaining immigrants arriving through the PNP.<sup>14</sup> After a one-year period, PEI retained 75.8% of provincial nominee program immigrants aged 20 to 54; after a five-year interval, only 38.5% remained in the province.<sup>14</sup> The five-year retention rate is considerably lower than that of the next lowest province, at 60.6%.<sup>14</sup>

Looking at the settlement patterns of international immigrants (see **map: International Migration**) we see that people who have immigrated to PEI in the past five years make up more than 10% of the population in **urban areas**, and 2.2% or less across rural regions. This is a stark contrast to Interprovincial migrants who have migrated to PEI in the past five years (see **map: Interprovincial Migration**), which make up over 10% of Kings County's rural population, and only 8.6% of the Province's urban population.

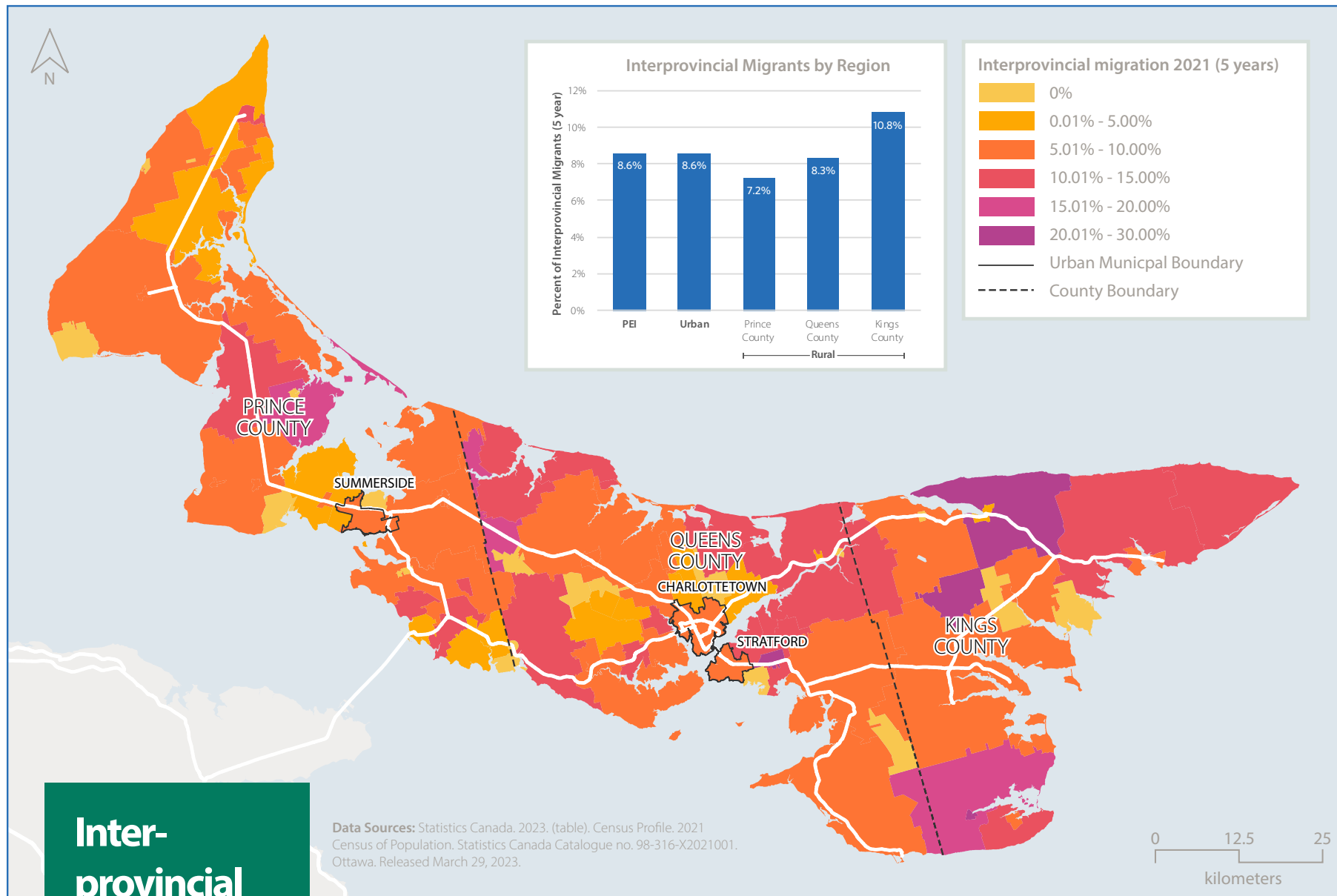
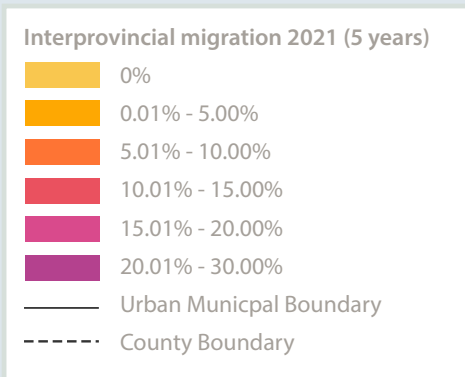
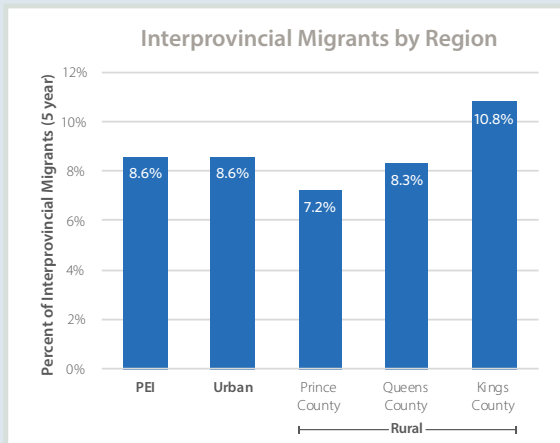
## Benefits of International Immigration

Immigration from other countries provides many benefits to the Island, including supporting the working-age labour force, advancing economic innovation and bringing new ideas through a diversified workforce (see **Economy**). The increase in international immigration also reflects PEI's recent progress in addressing racism and supporting equity, diversity and inclusion actions.

International immigrants are indeed vital to supporting PEI's labour force, and help to support the cultural richness vital to the development of vibrant and inclusive communities. Factors that Statistics Canada and the 2022 results from the Canadian Social Survey found for why immigrants settle in specific cities include the city's support for them to:

- Join existing immigrant communities already established
- Be in close proximity to family or friends in the area
- Have access to jobs, businesses and education prospects
- Be able to access spaces supportive of chosen lifestyle
- Have appropriate forms, locations and costs of housing<sup>12</sup>

**Takeaway:** To ensure PEI remains attractive to immigrants in the long term, the LUP should ensure that land use policies positively incentivize the creation of diverse and inclusive spaces that support cultural diversity. In addition, the land use plan should continue to incentivize housing and employment access in urban centres.



## Inter-provincial Migration

**Data Sources:** Statistics Canada. 2023. (table). Census Profile, 2021 Census of Population. Statistics Canada Catalogue no. 98-316-X2021001. Ottawa. Released March 29, 2023.

This map displays the percentage of interprovincial migrants during the past 5 years prior to 2021, as a proportion of the total population. Urban areas are defined in PEI as the the City of Charlottetown, City of Summerside, and Town of Stratford.

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## Interprovincial Migration

Interprovincial migration has also seen net records of in-migration over the past 30 years, with the highest net provincial in-migration happening in 2022.<sup>10</sup>

Between July 1, 2022 and June 30, 2023, PEI had an estimated net interprovincial migration of +1,587 people, making it the eighth consecutive year of positive net interprovincial migration for the province.<sup>5</sup>

With the majority of interprovincial migrants coming from Ontario, followed by Nova Scotia, Alberta, and New Brunswick from July 2022 to June 2023, there are a series of causes that may be leading to this increase in interprovincial migration.<sup>5</sup>

In terms of settlement patterns, interprovincial migrants who have migrated to PEI in the past five years (see **map: Interprovincial Migration**), make up over 10% of Kings County's rural population, and only 8.6% of the Province's urban population.

## The Importance of Demographics to Guide Land Use

A complex relationship exists between land ownership and land use and various demographic factors. While some common socioeconomic factors like age, income and accessibility are commonly considered, other demographic factors have more nuanced connections to land and land management.

Some recent examples of planning practices that intersect with different demographic identities include the following, all of which have been reviewed and considered in the preparation of this State of the Island report:

- [Cities Alive: Designing Cities That Work for Women](#)
- [Voices of the land : Indigenous design and planning from the prairies](#)
- [Ontario Provincial Planning Institute: Urban Planning and Anti-black Racism in Canada](#)

There has already been a push to include intersectional demographic approaches to land management and planning in PEI. In July 2020, PEI initiated a consultation to inform the Land Matters Report. As a part of this consultation, the Advisory Council on the Status of Women (PEIACSW) submitted feedback on land use in relation to inequality on the Island.<sup>15</sup>

PEIACSW identified that some groups have experienced long-standing inequalities in relationship to land on the Island. "Mi'kmaq and other Indigenous people, women, and children, have faced enforced legal and colonial limits on their ability to own property; while other groups have faced socioeconomic barriers to land ownership (BIPOC, people with disabilities, people with low income, some newcomers to Canada who are less likely to have inherited local land)."<sup>15</sup>

To begin considering the intersectionalities of demographics and land use planning, it is important to establish an understanding of who is on the Island.

# Demographics in Prince Edward Island

As PEI has emerged as a regional and national leader in population growth, it is important to understand who Islanders are, across urban areas (Charlottetown, Summerside, Stratford), rural areas (Prince, Queens, and Kings counties), and province wide. Please note that urban areas have been subtracted from counties in the graphics below, to accurately represent rural areas.

## 5 Year Population Change<sup>9</sup>

Total population growth from 2016 to 2021

In the last five years, all areas of the Island have experienced growth, with urban areas and Queens County experiencing the greatest rates of growth.

## 20 Year Population Change<sup>9</sup>

Total population growth from 2001 to 2021

Urban areas and Queens County have experienced the greatest growth, while Prince County and Kings County have seen limited growth and decline respectively.

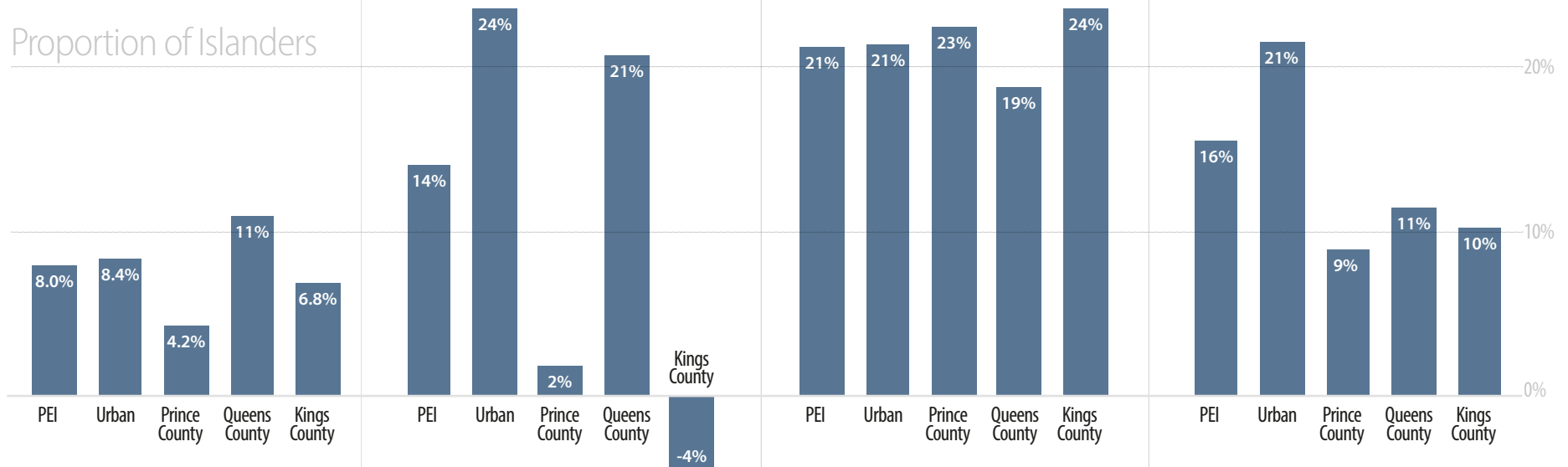
## Older Adults<sup>9</sup>

Like the rest of Canada, PEI's population is aging. There is a higher prevalence of older adults (those 65 years of age and older) in Prince County and Kings County.

## Housing Affordability<sup>9</sup>

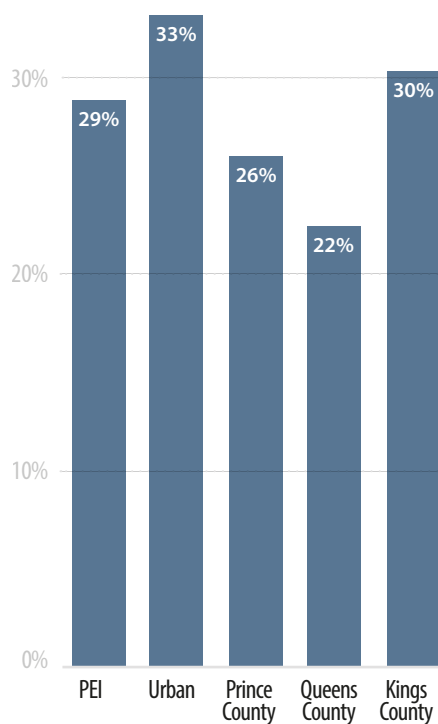
The percentage of Islanders who paid 30% or more of total household income towards shelter costs. Those in urban areas are experiencing the greatest rates of unaffordable housing.

Proportion of Islanders



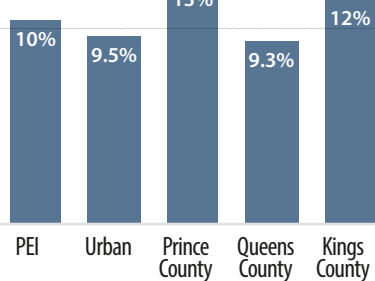
## Living Alone<sup>9</sup>

One-person households are one of the most predominant household types on PEI, representing 29% of all households. The greatest proportion of one-person households are in urban areas and Kings County.



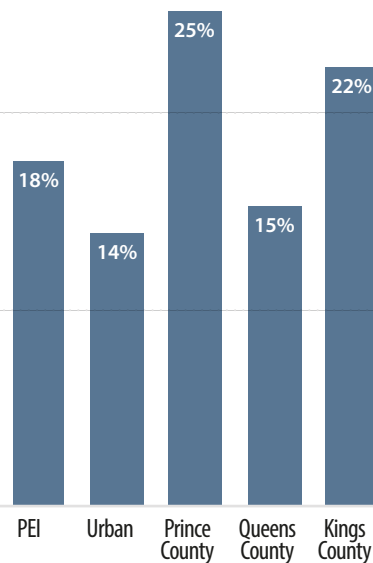
## Unemployment Rate<sup>9</sup>

The share of the labor force that is without work, but available for and seeking employment in 2021 was similar to the national unemployment rate of 10.3. Prince County and Kings County had greater unemployment rates, tied to higher rates of casual and seasonal labour.



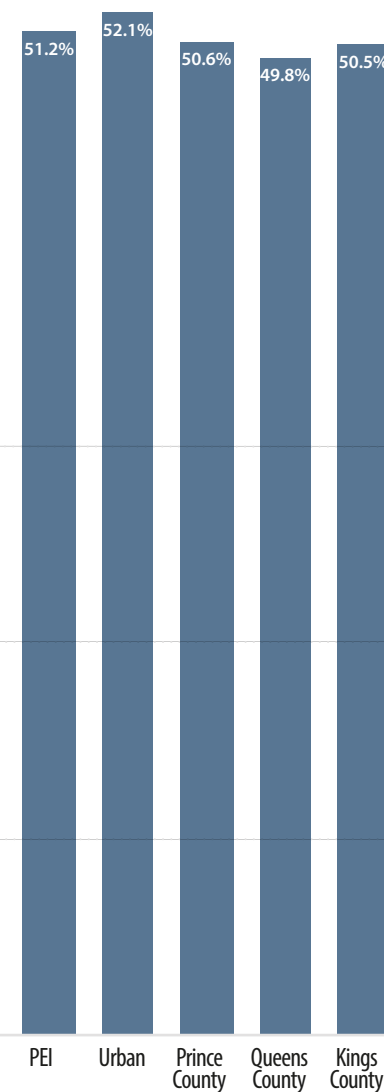
## High School Education<sup>9</sup>

The proportion of Islanders aged 15 years and over with no high school diploma or equivalency certificate is greatest in Prince County and Kings County. Provincially, Islanders have the same level of high school education attainment as the national rate of 18%.



## Women +<sup>9</sup>

Women+ accounted for 51.2% of PEI's total population. 'Women+' includes women (and/or girls), as well as some non-binary persons.



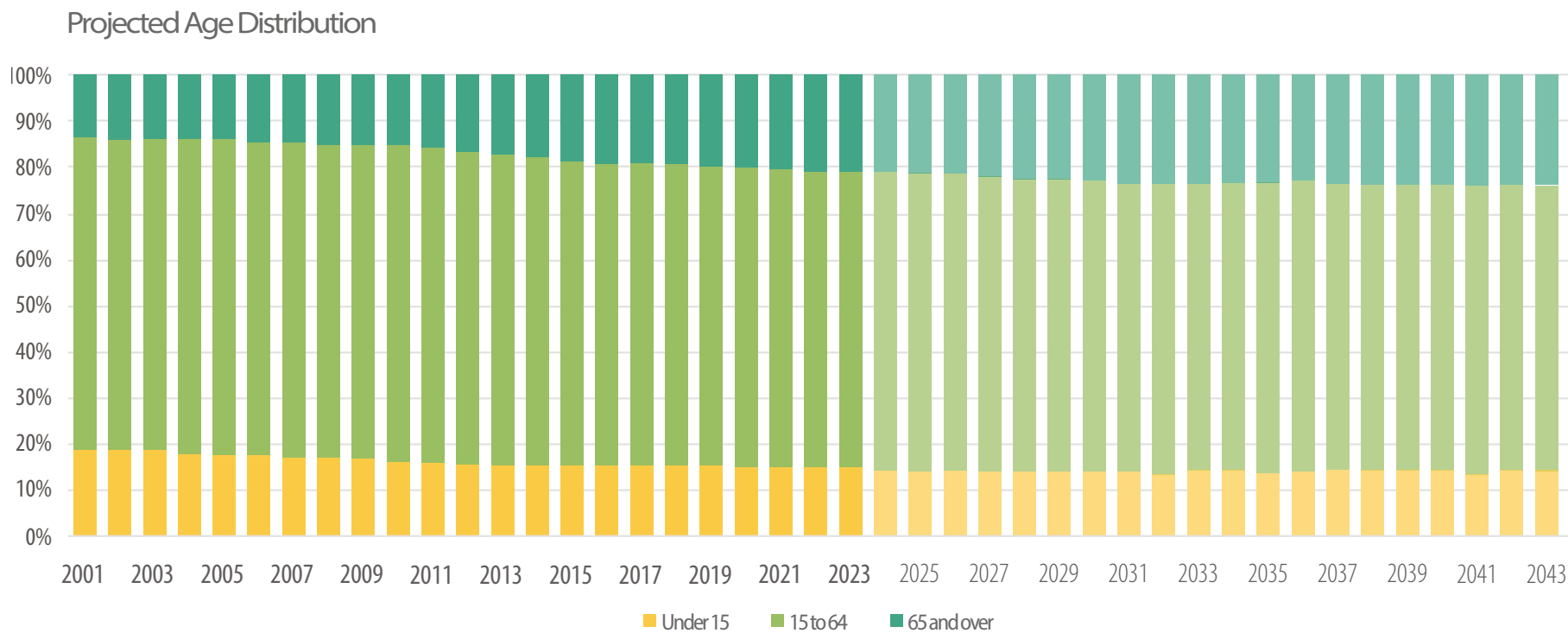
## Age

The median age of the Island's population is 41.8, with the largest age groups being 20 to 24 (8.06%) and 25 to 29 (7.80%), respectively.

In 2021, 20% (31,957) of Islanders were aged 65 and older. According to the *Prince Edward Island Housing Corporation 2023 - 2025 Action Plan*, the "number of Islanders over the age of 65 will increase by 23% by 2030 and by 22.4% by 2040."<sup>16</sup> Among seniors looking to downsize, there is a continuing trend of rural to urban migration.<sup>16</sup> The demand for seniors housing is expected to continue to increase for the foreseeable future.

Over the past 10 years, interprovincial migration has seen the biggest increases in those aged 20 - 29, and those 65 years and older (see **Figure 8, right**). While there has been a consistent annual out-migration of roughly 500 people aged 20 - 24 years old over the past decade, there has been a substantial increase of in-migration of this age group from other provinces since 2018.

Figure 7: Projected population age distribution, based on Canadian Centre for Economic Analysis<sup>54</sup>





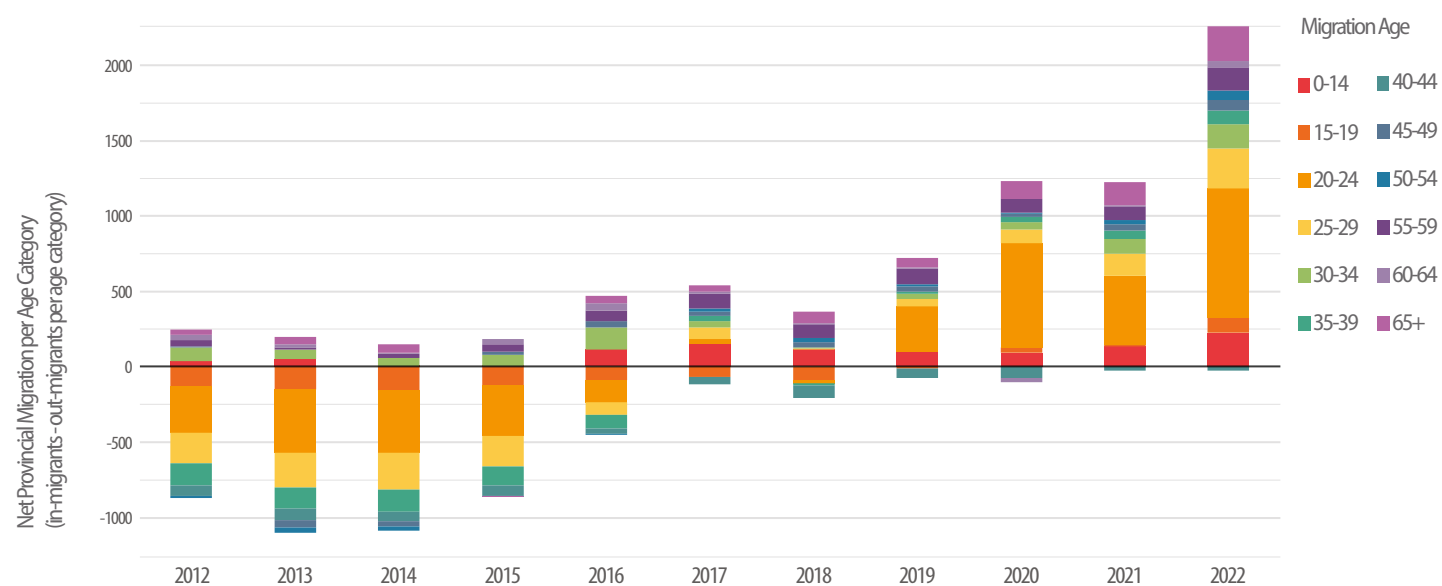


Figure 8: Graph showing the changing patterns of interprovincial migration over time by age category<sup>17</sup>

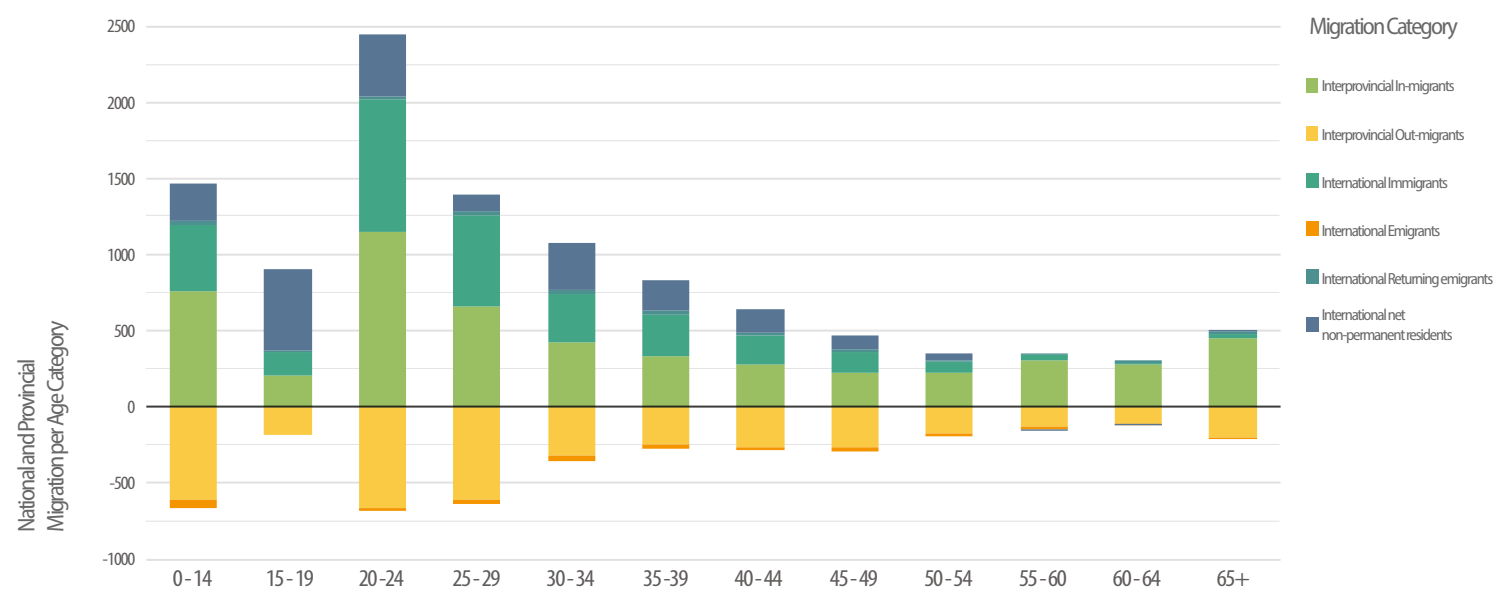


Figure 9: Graph showing international and interprovincial migration by age for 2022/2023<sup>17,18</sup>

The trend of increased migration of those aged 20-29 can also be seen among international migrants from 2021 - 2022 (see **Figure 9, previous**). According to the *Island Investment Development Inc. Annual Report 2022-2023*, 62% of permanent residents are between the ages of 20 and 29, demonstrating that this immigration is not solely attributable to those with student visas. Unlike interprovincial in-migrants, there has been no significant increase in international immigration from those 65 years of age and older.

The age of the population directly impacts the forms of housing, infrastructure and service supports which are necessary to support a community. For example, ensuring that communities are walkable and accessible is particularly important for young families and seniors. Smaller units and houses are often preferred for those just entering the housing market, as well as those needing student or seasonal accommodation, or seniors looking to downsize.

**Takeaway:** PEI will need to create neighbourhoods, towns and cities that support residents through all life stages. The LUP will need to support age-friendly spaces that ensure all residents are able to maintain their health, security and wellbeing. This entails prioritizing development that supports aging in place, and ensuring the adaptability of dwellings and neighbourhoods to accommodate people's evolving needs and preferences.

## Gender

The most recent information on the Island's age and gender distribution (July 2022) showed 49.6% of the population identifying as men and 50.3% of the population identifying as women.<sup>19</sup> With the relatively equal distribution of gender across the Island, land use planning will need to consider the unique ways gender and sexual identities intersect with land policies.

The following examples highlight situations in which women are disproportionately (<40% or >60%) represented in the population of PEI:

- As of 2021, PEI had the lowest proportion (20%) of female farm operators of any province or territory in Canada<sup>20</sup>
- Females made up the majority (78.8%) of lone-parent families in PEI in 2016<sup>21</sup>
- In 2016, 28% of females in PEI had a disability, and women of all ages were more likely to have a disability than men<sup>21</sup>
- 71% of new referrals to Victim Services in 2019-2020 were female<sup>21</sup>

The Province's *Women in Prince Edward Island Statistical Review* was last released in 2020, and contains additional information about gender considerations on the Island.

**Takeaway:** The LUP should consider planning principles that empower people of all genders in the spaces they occupy on the Island. Consideration should be given to how spaces can be made safe, accessible, and affordable while ensuring that various forms of transportation patterns as well as housing options are available across PEI.

## Population Pyramid

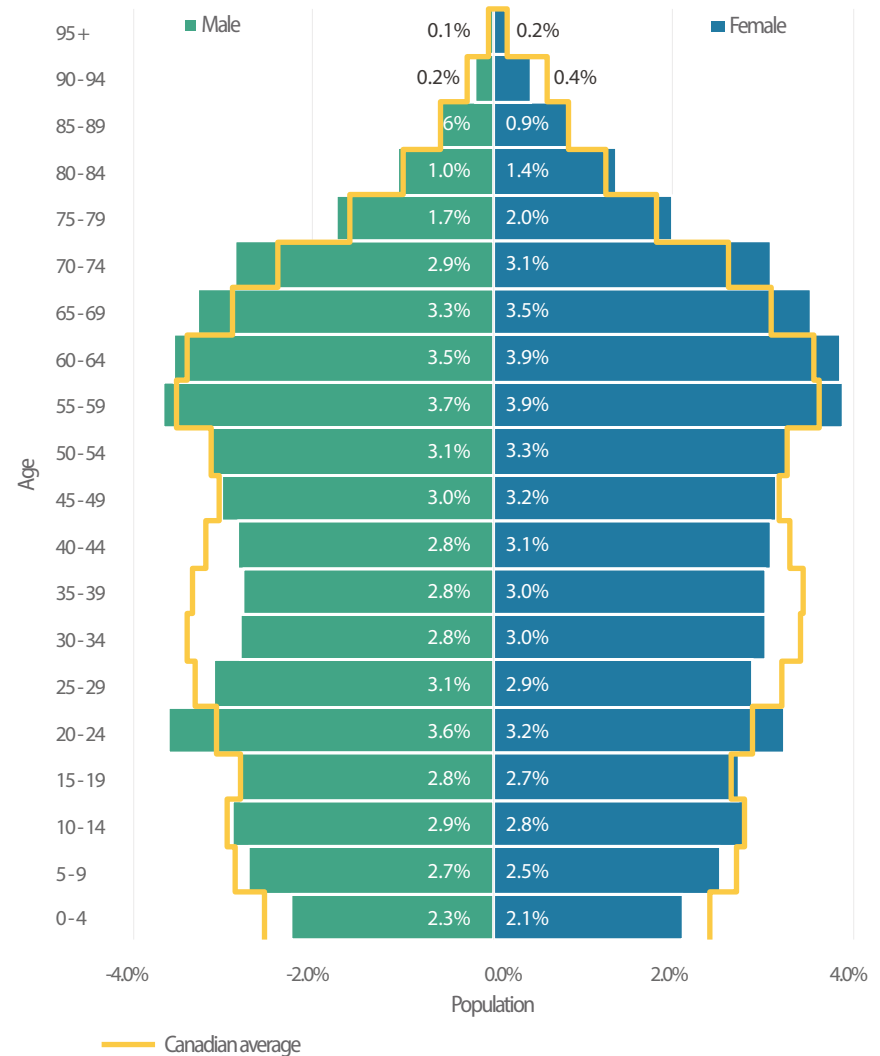


Figure 10: Gender and age distribution in Prince Edward Island<sup>9</sup>

## Language

PEI's growing population of international and interprovincial migrants underscores the importance of language diversity. The use of French on the Island is increasing, with the number of bilingual speakers in PEI growing from 12,950 in 1991 to 19,385 in 2021.<sup>22</sup>

Language usage has also seen increased diversity, with a growing proportion of residents speaking non-official languages (including Mandarin or Punjabi) as their first language (see **Figure 11**).<sup>9</sup>

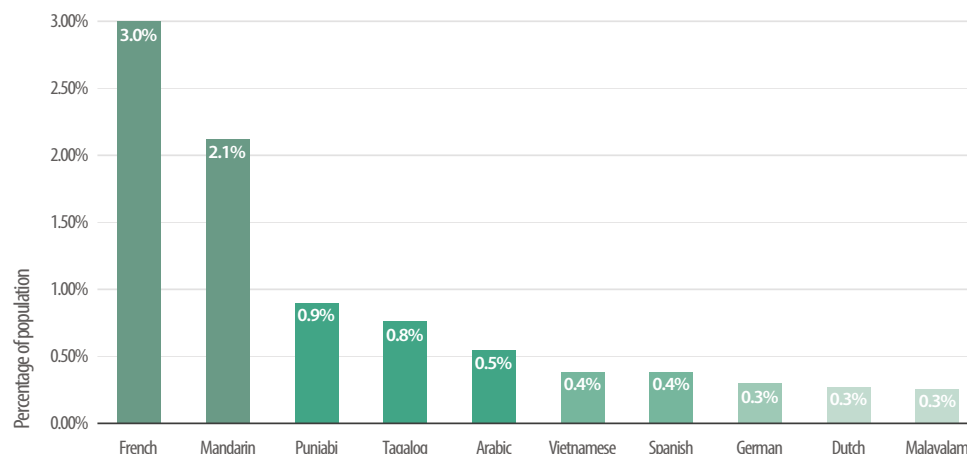
It is important to note that PEI's Indigenous people contribute significantly to the Island's language diversity. Some 4% of Indigenous People note an Indigenous language as their first language, with Mi'kmaq most commonly reported.<sup>23</sup>

**Takeaway:** With the increasing diversity in language, planning practices may soon need to consider using multiple languages when communicating with people across the Island.

## People with Disabilities

In 2022, 31.8% of PEI residents identified as disabled, a 5.8% increase over 2017. For comparison, the Canada-wide disability rate in 2022 was 27%.<sup>24</sup>

Figure 11: Graph of the 10 most frequent mother tongue languages of PEI residents, 2021 census<sup>9</sup>



In 2017's Canadian Survey on Disability, it was found that the three most prevalent disabilities in PEI's labour force included: Pain-related, physical and mental health disabilities.<sup>52</sup>

Table 1: Table of Disability Types in PEI<sup>52</sup>

Disability Type	Number of Persons PEI
Total population with disabilities	17,950
Sensory disability	5,870
Physical disability	9,400
Pain-related disability	11,580
Mental health-related disability	7,020
Cognitive disability	4,520
Unknown disability	490*

\*Unknown disability numbers should be used with caution

**Takeaway:** With a growing population of people with disabilities, the LUP should ensure that communities are built to be inclusive of everyone, regardless of ability.

## Visible Minorities

With the increase in interprovincial and international migration, corresponding trends are being seen in the representation of racialized or “visible minority” populations across the Island, as seen in **Figure 12**.

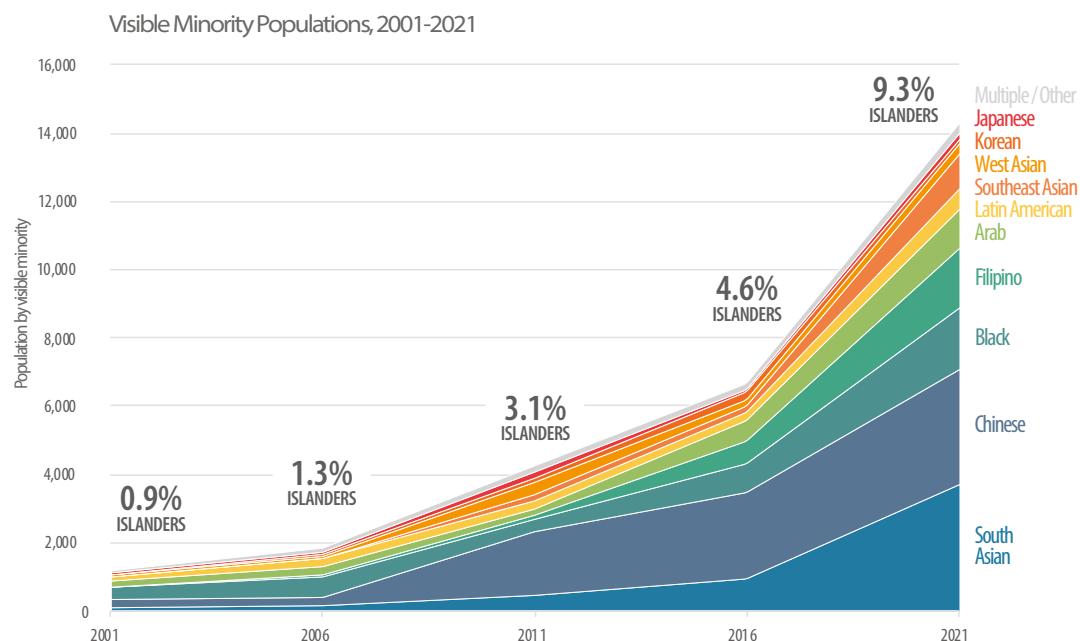
Figure 12: Visible Minority Populations 2001 to 2021<sup>9</sup>

## Indigenous Peoples

Indigenous history, language, and culture are an integral part of the Island’s identity. The Mi’kmaq, the traditional people of Epekwitk (“land cradled in the waves”), have been the stewards of the land and surrounding waters for centuries.

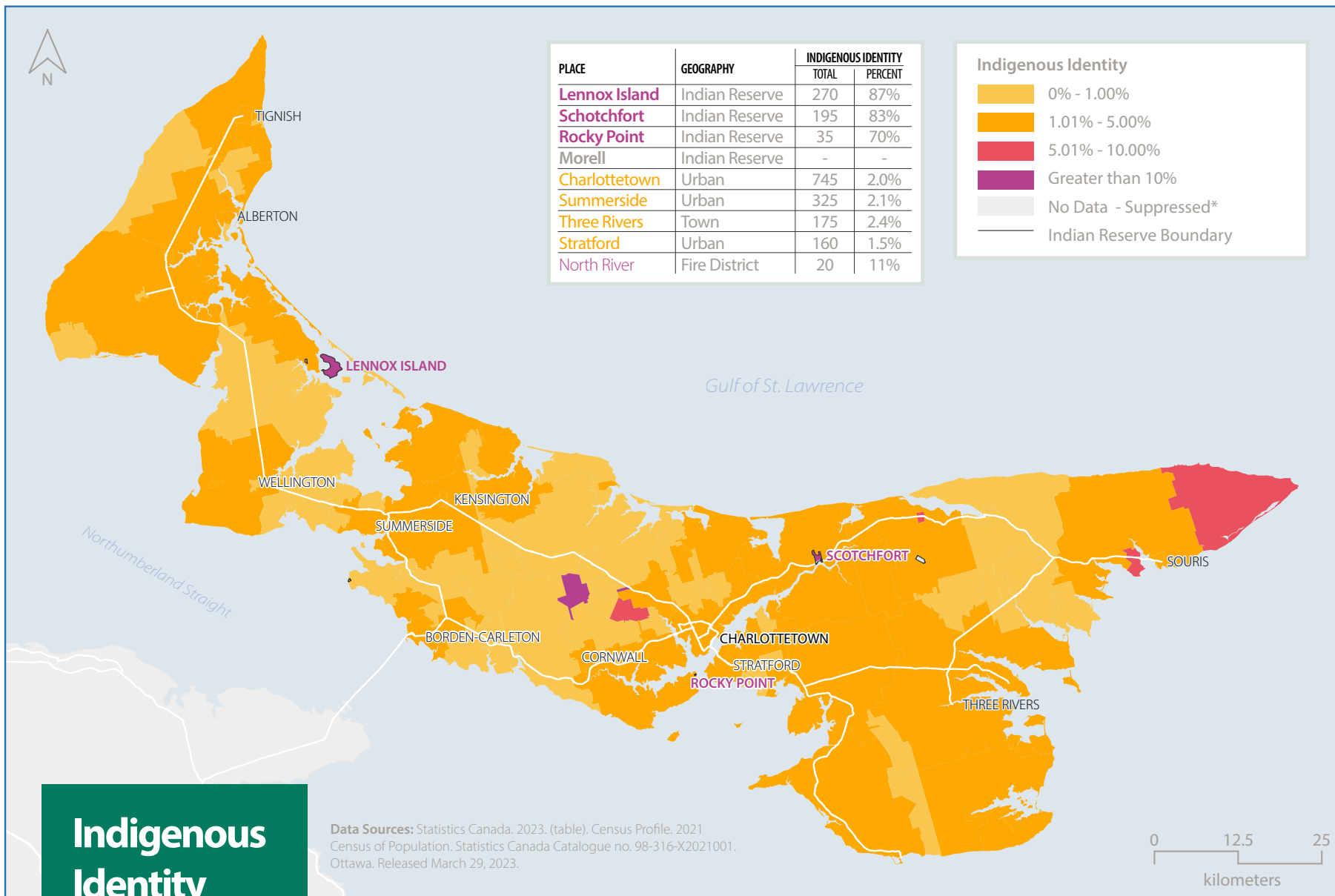
PEI has two First Nations, Abegweit First Nation and Lennox Island First Nation. Abegweit First Nation has a registered population of approximately 400<sup>9</sup> members and three reserves - Scotchfort, Rocky Point and Morell with a population of 230, 47 and 25 people respectfully.<sup>53</sup> Lennox Island has a registered population of approximately 1,094 members,<sup>9</sup> with 308 people living on the Lennox Island Reserve.<sup>53</sup> Each First Nation is governed by their own elected chief and councilors.

Recent years have seen a gradual increase in the Indigenous population on the Island. Between 2016 and 2021, the total Indigenous population grew from 2,735 to 3,385, accounting for 2.25% of the provincial population. Individuals identified as First Nations (64%), Métis (25%), and Inuk (Inuit) (5%).<sup>9</sup>



	PEI	Charlottetown total, % of total Indigenous pop	Summerside total, % of total Indigenous pop	Stratford total, % of total Indigenous pop
Indigenous identity	3,385	745 (22%)	325 (10%)	160 (5%)
First Nations	2,165	505 (23%)	135 (6%)	105 (5%)
Métis	845	170 (20%)	105 (12%)	45 (5%)
Inuk (Inuit)	180	35 (19%)	50 (2%)	10 (6%)
Multiple Indigenous responses	30	0 (0%)	10 (33%)	0 (0%)
Indigenous responses not included elsewhere	165	30 (18%)	20 (12%)	0 (0%)

Table 2: Table of Indigenous population in PEI<sup>9</sup>



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An estimated 37% of PEI's Indigenous population resides in Charlottetown, Summerside or Stratford, representing 2% of the total population of these [urban areas](#).

**Takeaway:** This statistic underscores the urban presence of Indigenous peoples within PEI, their contribution to the cultural diversity of the province's capital, and the necessity for Truth and Reconciliation in decision-making.

### Using a Equity and Diversity Lens for Land Use Planning

The Advisory Council on the Status of Women (PEIACSW) has identified the following priority areas and concerns when considering demographics and land management in PEI:

- Public land should be used as a way to support a variety of purposes, and should include gender and diversity analysis
- All requirements of the duty to consult Mi'kmaw rights holders should be met
- Local and traditional knowledge should inform land practices, including Mi'kmaq knowledge
- Public participation should be encouraged in land use policy creation around social infrastructure, including adequate basic income, access to affordable transportation/transit, and support for caregiving

- Increase the diversity of voices in decision-making by “examining and reducing barriers to gender parity on decision-making bodies, advancing equity and inclusion to bring in other under-represented voices, and [using] an intersectional lens to ensure that women and gender minorities who also belong to underrepresented groups are systematically included.”<sup>15</sup>

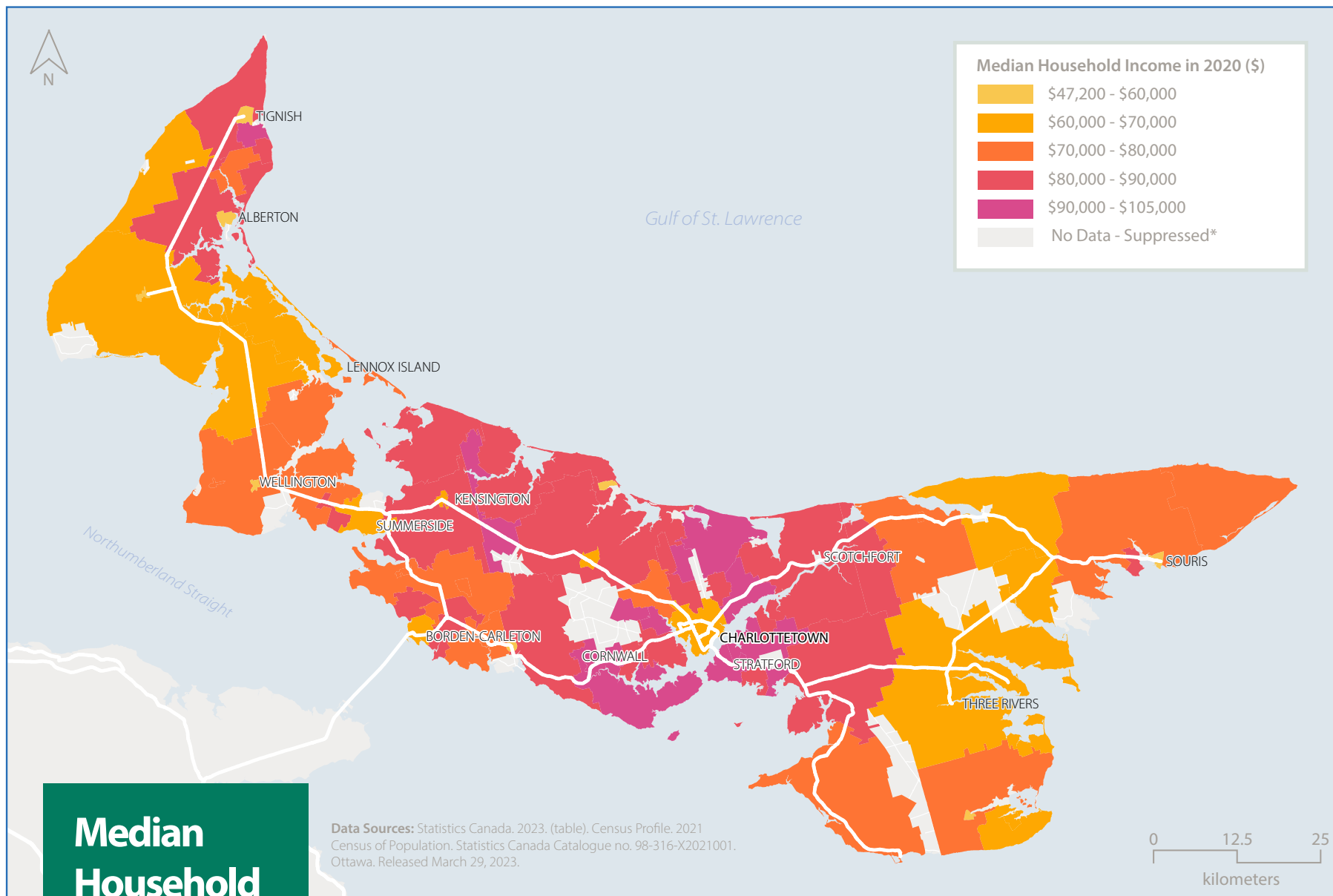
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### 3.1.3 Cost of Living

Inflation and deflation, which impact the cost of living, disproportionately impact residents of the Province of PEI. For example, in 2022, inflation for the cost of consumer goods (including food, shelter, transportation among others described in [Goods and Service](#)) across PEI increased by 8.9% over 2021 values.<sup>27</sup> This is a higher overall inflation rate than Canada's increase of 6.8% in the same period. During the national inflation slow down in 2023, however, PEI's inflation rate slowed to 2.9%, which was lower than Canada's 3.9% increase over 2022.<sup>28</sup>

There are a series of ways cost increases affect the needs and settlement patterns of PEI residents. Those with a disproportionate cost of living compared to income are the most impacted by land use development patterns, and the spatial accessibility to affordable, essential services, employment, and amenities in close proximity to their homes. Well-designed communities can create efficient, mixed-use developments that reduce transportation costs, enhance resource allocation, and contribute to a more sustainable and affordable living environment.

To understand the current state of Island affordability, this section looks at [income](#), [shelter costs](#), [housing access and affordability](#), [goods and services](#), and [food security](#).



This map displays the median total income of household in 2020 (\$) by census sub division. \*Note: household income indicated here with gray was removed by Statistics Canada due to data being suppressed or too small for certain geographies.

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## Income

The Island had a median total household income of \$73,500 as of 2020.<sup>29</sup> This was the highest among all Atlantic provinces, yet still below the national average of \$84,000.<sup>9,29</sup> This average has increased 10% since 2015. Despite this improvement, income disparities are still evident, with 7.4% of Islanders living below the poverty line.<sup>30</sup> Residents in **urban areas**, specifically Charlottetown and Summerside, have lower median incomes at \$66,000 and \$63,200 respectively. Rural and semi-urban areas in Queens County have a higher median income than the provincial average.<sup>9</sup>

Historically, household incomes across Canada have been higher in urban centres than rural areas.<sup>31</sup> However, studies suggest that wealth surrounding municipal centres has been redistributed as an outcome of the COVID-19 Pandemic, when white-collar workers relocated to fringe outlying communities in greater numbers.<sup>32, 33</sup> This increased concentration of exurban wealth is reflected in the wealth distribution surrounding Charlottetown, and can have implications for transportation, access, and taxation for these areas as residents utilize neighboring city amenities with minimal charge.

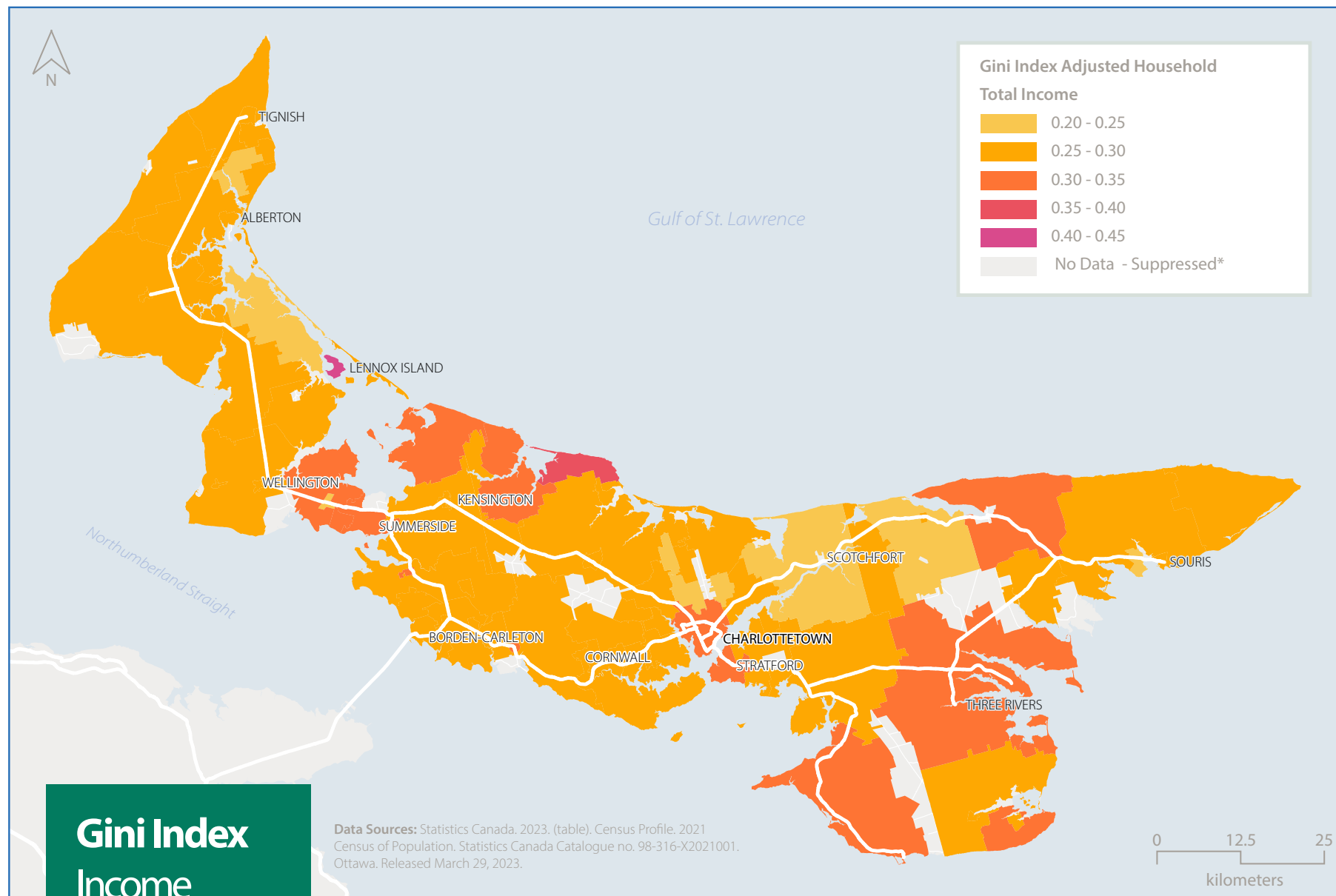
Income inequality refers to the disproportionate distribution of assets, wealth, or income among households in a population. In areas with high income inequality, poverty reduction may be slowed, and growth may be hindered.

Government processes may be disproportionately represented by high income groups with time and affluence, leading to policies which further disenfranchise low income populations and inhibit collective decision-making.<sup>34</sup> Income inequality influences the distribution of resources, shaping infrastructure development, and affecting the accessibility of essential services. The disparities in income levels can contribute to spatial segregation, impacting land use patterns and influencing the planning decisions that either exacerbate or mitigate the social and economic divides within a community.

The **Gini coefficient** is a tool used to measure income inequality within a community. It measures the relative degree of inequality in the distribution of income for a given area.

The map below shows the Gini coefficient or level of inequality within each census subdivision. Those areas closer to 1 have the maximum inequality, and those closer to 0 have the least inequality internally. For PEI, the Gini Index Map highlights areas of significant wealth inequality, including Resort Municipality of Stanley Bridge, Hope River, Bayview, Cavendish and North Rustico, Charlottetown and Summerside, and municipalities in Kings County.

It should be noted that the data has been **suppressed** by Statistics Canada in areas with low population numbers for confidentiality reasons, and therefore appear as 'no data' in the map on the following page.



## Gini Index Income Inequality

This map displays the Gini index of income for PEI. The Gini Index is a number between zero and one that measures the relative degree of inequality in the distribution of income.

\*Data indicated here with gray was suppressed by Statistics Canada.

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## Shelter Costs

The proportion of income spent on shelter costs can greatly impact the financial well-being of families and individuals, influencing their ability to afford other necessities. Populations that are living in housing that is unaffordable and/or falls below acceptable housing standards are often called 'households in core housing need'. The PEI Housing Strategy describes households in core housing need in relationship to adequate, affordable and suitable housing.

**Adequate housing** refers to the condition of the dwelling in terms of the need for major repairs such as defective plumbing, electrical wiring and structural repairs to walls, floors and ceilings.<sup>35</sup>

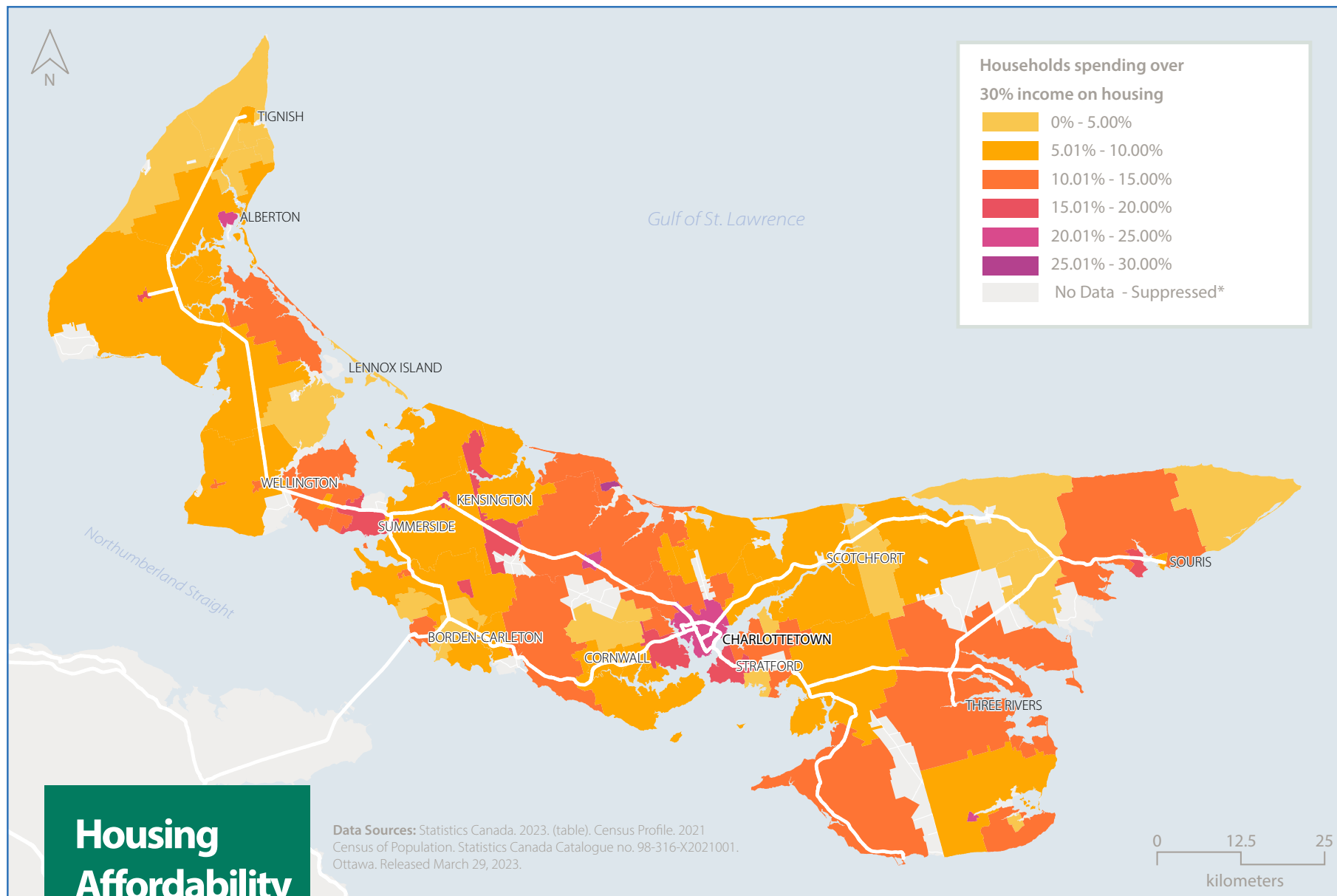
**Housing affordability** refers to what people can afford relative to their income. Canada Mortgage and Housing Corporation (CMHC) states: "for housing to be affordable, a household should not spend more than 30% of their gross income before tax on shelter costs." (In terms of home ownership, shelter costs include mortgage payments, property fees, and the costs of electricity, heat and water.)

Housing suitability refers to whether the home has enough bedrooms for the size and composition of the household (considering age, gender identity, relationships between residents).

It is important that households with low to moderate incomes are able to afford to access a suitable home while meeting other essential living costs. A household is in core housing need if:

- It is below one or more of the adequacy, affordability, and suitability standards, and
- It has to spend more than 30% of its pre-tax income to pay the median rent of acceptable, local, alternative housing.

The *2024-2029 Housing Strategy* identified that 7.0% of PEI residents were in core housing need in 2021.<sup>35</sup>



This map displays the percent of households that spent 30% or more of income on shelter costs, Canada's measure of housing affordability.

\*Data indicated here with gray was suppressed by Statistics Canada.

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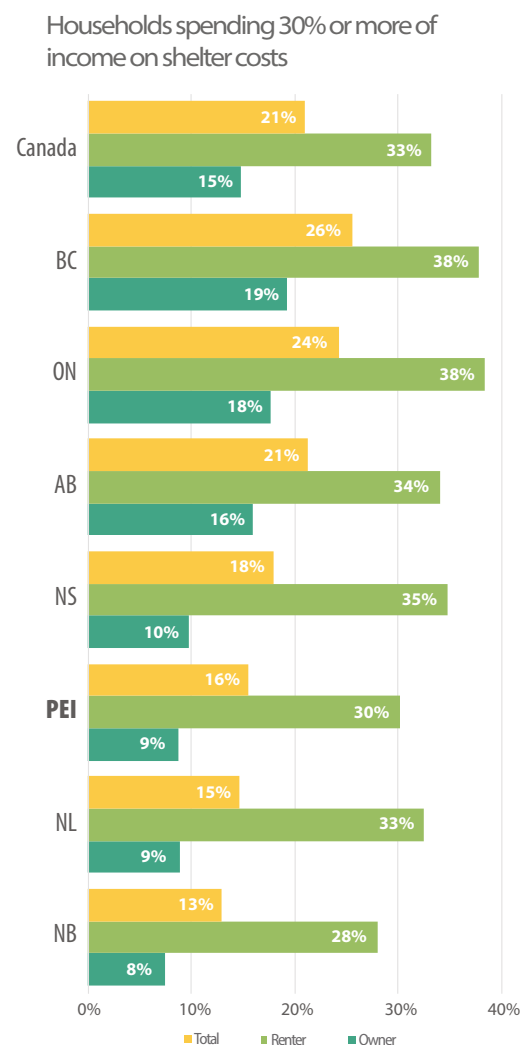


Figure 13: Chart showing percentage of households spending 30% or more on housing by province<sup>36</sup>

While there has been a national decrease in the percent of people spending 30% or more on shelter costs since 2016, in 2021, 15.5% of Island households spent more than 30% of their monthly income on shelter.<sup>36</sup> This includes a notable difference between renters and homeowners (see **Figure 13**). The distribution of households spending a significant portion of their income on shelter varies, with urban areas experiencing higher proportions of unaffordable housing than rural areas (see **Map: Housing Affordability**), and renters experiencing higher proportions of unaffordable housing than owners (see **Figure 13**).

With increasing inflation costs (see **Goods and Service Cost**), including those associated with housing (fuel, mortgage rates, goods and services, etc.), there is a greater need for affordable housing, particularly for renters and those in core need. To ensure that new housing developments can respond to the unique needs of the population, it will be important for the land use plan to promote housing at a variety of scales, values, and tenures within close proximity to services (see **housing continuum**).

For more information on shelter costs, look to [Building Together - Prince Edward Island Housing Strategy 2024 - 2029](#).

## Housing Access and Affordability

Since 2017, rising **benchmark housing values** have outpaced increases in median household income, contributing to housing affordability issues. PEI faces challenges in homelessness, as highlighted by the 2021 Point-In-Time-Count that identified 147 people experiencing unsheltered and sheltered homelessness. Within this population, there are significant proportions of people in transitional housing, emergency shelters, systems like hospitals or jails, and those considered to be the 'hidden homeless' (i.e., staying with friends).<sup>37</sup>

By October 2023, the utilization rate of the five emergency shelters on the Island (Blooming House, Lifehouse, Bedford MacDonald House, Winter Street, and Park Street) hit 98%, indicating an overwhelming demand for such facilities.<sup>38</sup> Similarly, there has been substantial growth in demand for services at the Community Outreach Centre, from 91 monthly clients in January 2021 to 366 per month by September 2023.<sup>38</sup> In addition, there have been consistently high utilization rates for Anderson House and Chief Mary Bernard Shelter, the shelters specialized for women and children on the Island.<sup>39</sup>

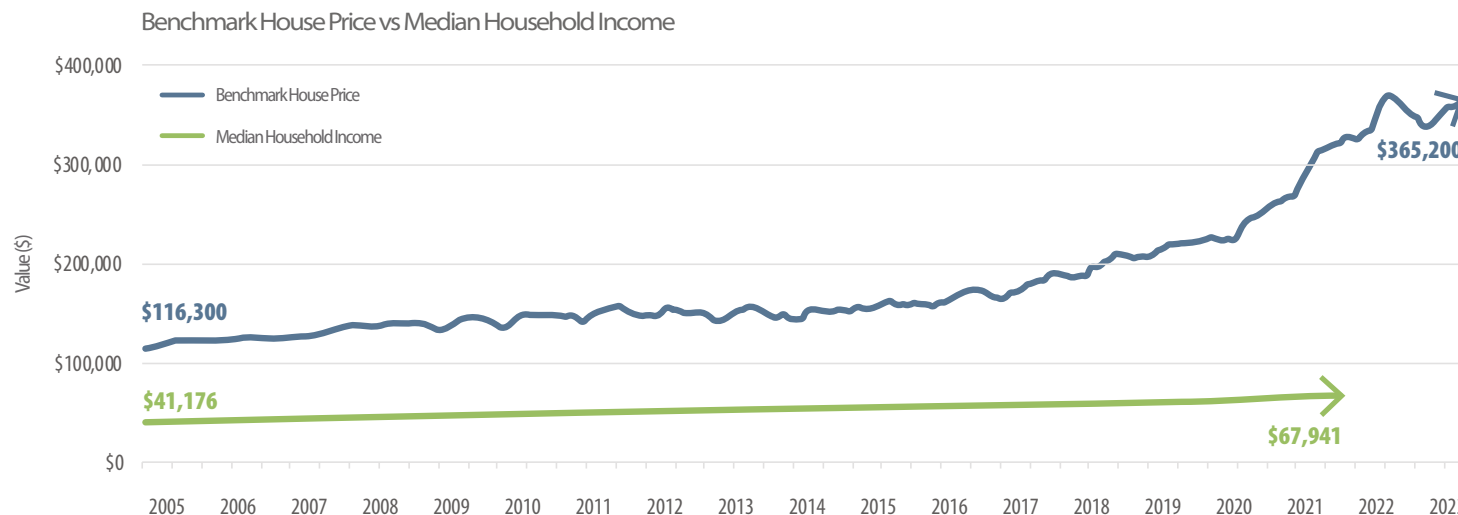


Figure 14: Benchmark housing price vs income<sup>44,45</sup>

Housing affordability in PEI is strongly influenced by population growth and the financialization of the housing market. The Housing Action Plan and other studies note attributing factors that affect housing affordability, including: **gentrification**, short-term rentals, settlement and development patterns, an aging population, increasing demand from international students, and variations in housing supply.<sup>37, 40, 41</sup> With PEI's continued growth and low vacancy rate, affordability has been largely attributed to population growth outpacing housing supply, with long-term implications from the previously noted factors.

**Takeaway:** To fill this gap, PEI needs to build more housing overall, with thoughtful consideration given to settlement patterns and housing for different demographics in settlement type, as well as placement for further affordability considerations.

From 2019 to 2022, the cost of constructing residential buildings rose by 25%.<sup>16</sup> In 2022, despite a 4.6% increase in housing starts and 18.6% increase in investment in multi-unit dwellings, there was a 21% decrease in total residential investment for **single-detached housing**.<sup>9</sup>

According to the Department of Finance's growth projections, PEI needs to build more than 2,000 housing units annually just to keep pace with demand.<sup>42</sup> In the past five years, the closest the Island has come to this was constructing 1,484 units in 2020 (see **Housing Starts**).<sup>42, 43</sup> As of the most recent year recorded, the number of total constructed units dropped to 1,266 by 2022.<sup>42, 43</sup> This does not account for the existing shortage.<sup>42</sup>

These trends underscore the critical need for strategic housing solutions to address both homelessness and the broader housing affordability crisis on the Island. For more information on housing, look to *Building Together - Prince Edward Island Housing Strategy 2024 - 2029*.

## Goods and Service Cost

The Consumer Price Index (CPI) is a measure of the price of everyday goods and services for Canadian consumers. In PEI, the CPI reflects the cost of various categories like food, shelter, transportation, health and personal care, as well as recreational purchases, like alcohol, tobacco, and cannabis products.<sup>46</sup> PEI experienced an 8.8% increase in CPI in 2022, the highest since 1981.<sup>46</sup>

Inflation has significantly impacted different sectors in the area, with notable increases in the costs of transportation (13.6%), shelter (12.8%) and food (9.7%).<sup>10</sup> PEI's highest inflation rates were seen for basic life necessities. This disproportionately impacts vulnerable populations who cannot absorb the increases, particularly those who are already food insecure or in precarious housing situations.

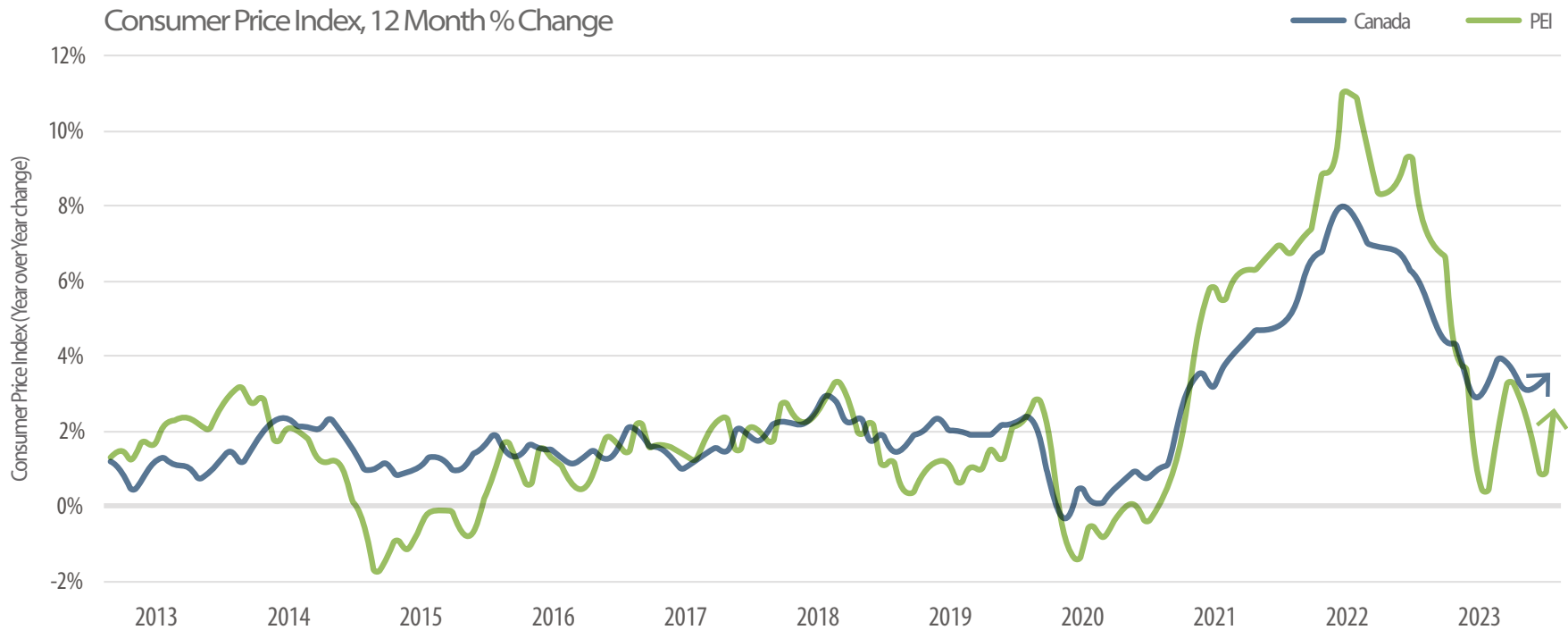
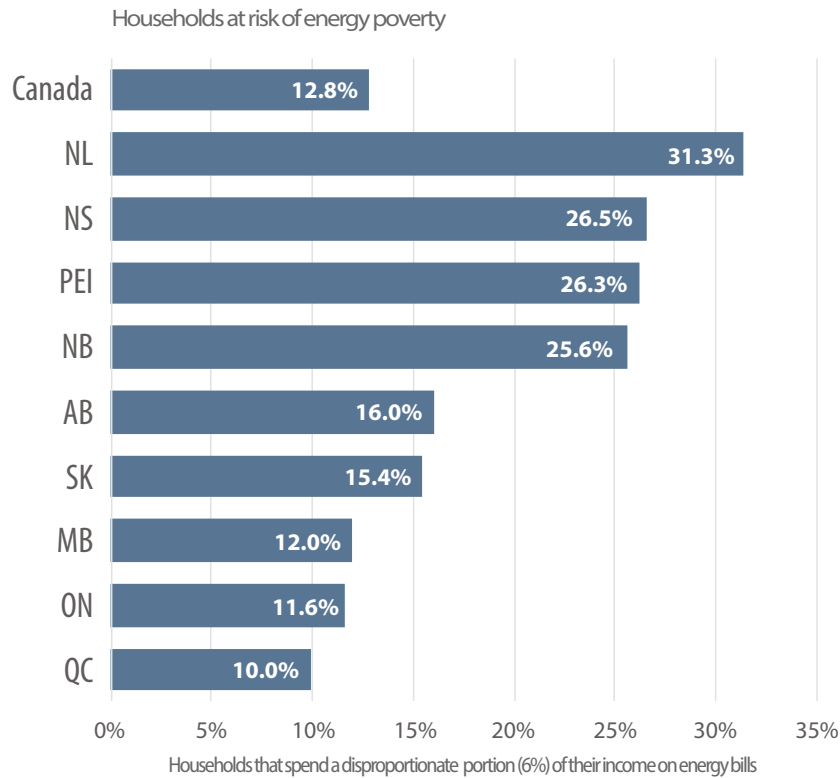


Figure 15: Consumer Price Index for PEI and Canada<sup>46</sup>

Figure 16, left: Percentage of households at risk of energy poverty.<sup>47</sup>



Energy costs in the Atlantic provinces have also risen in recent years, so much so that many households are experiencing energy poverty (see **Figure 15**). Energy Poverty refers to those spending a disproportionate portion (6%) of their income on energy bills. This is three times the median Canadian home spends (2%) on energy. PEI's Median Household Annual Energy bill is \$3000 as of 2021, and roughly 26% of households are experiencing energy poverty. This equals 26,895 households in PEI.<sup>47</sup>

## Food Security

In 2022, every province in Canada experienced an increase in **food insecurity** due to record inflation.<sup>48</sup> This trend was particularly pronounced in the Atlantic provinces, with PEI having the country's highest percentage of people living in food-insecure households at 23.6%.<sup>48</sup> PEI also had the highest percentage of children living in food insecure households of the provinces, at 35.1% (see **Figure 17**).<sup>48</sup>

Compared to other provinces, PEI's uniquely small agricultural land mass (see **Land Use and Conservation**) and its reliance on imports for land-intensive uses make it more susceptible to changes in the financial market (see **Goods and Service Cost**). This includes being more susceptible to food insecurity.

PEI's *Poverty Elimination Strategy Act*, passed in April 2021, sets explicit targets for **food insecurity** reduction. It aims to cut the provincial rate for food security in half by 2025, and to eliminate food insecurity completely by 2030.<sup>49</sup> At the time it was passed, the legislation was significant in that no other Canadian provinces had declared food insecurity reduction targets or committed to fully eliminate poverty.<sup>50</sup>

Figure 17: Food insecurity by severity for each province<sup>48</sup>

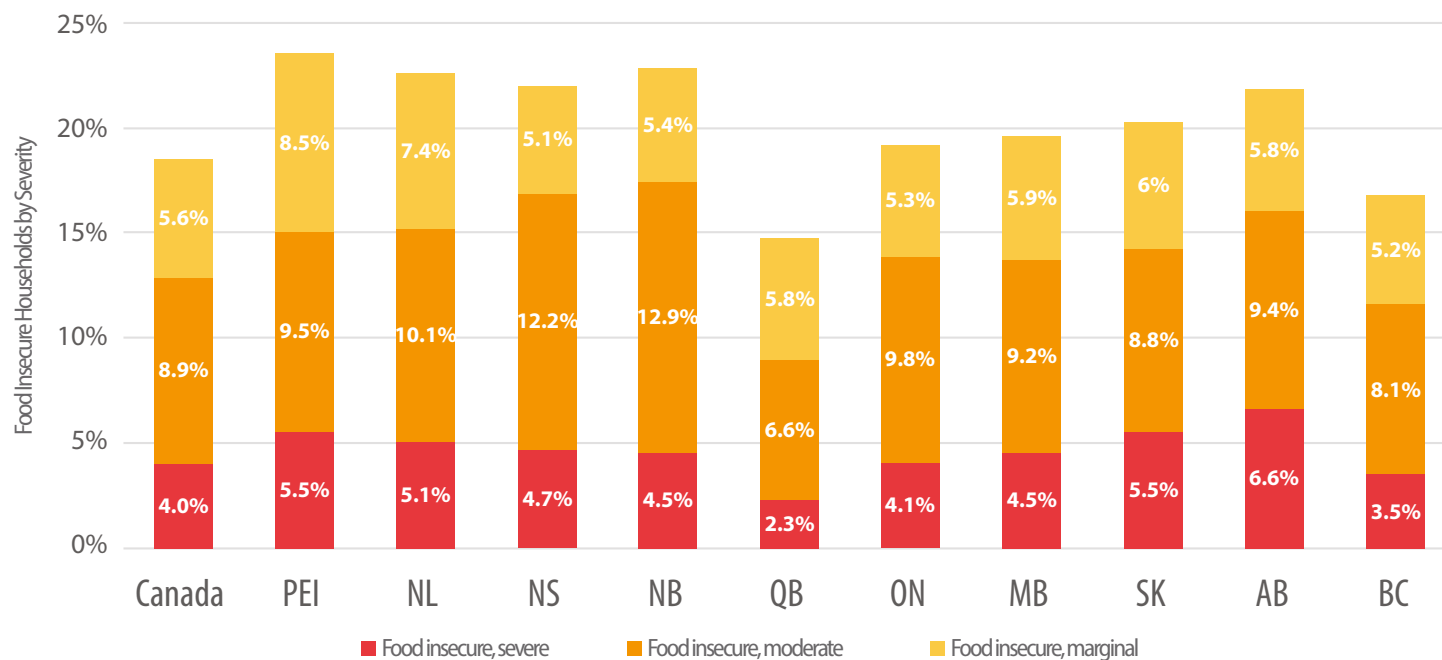
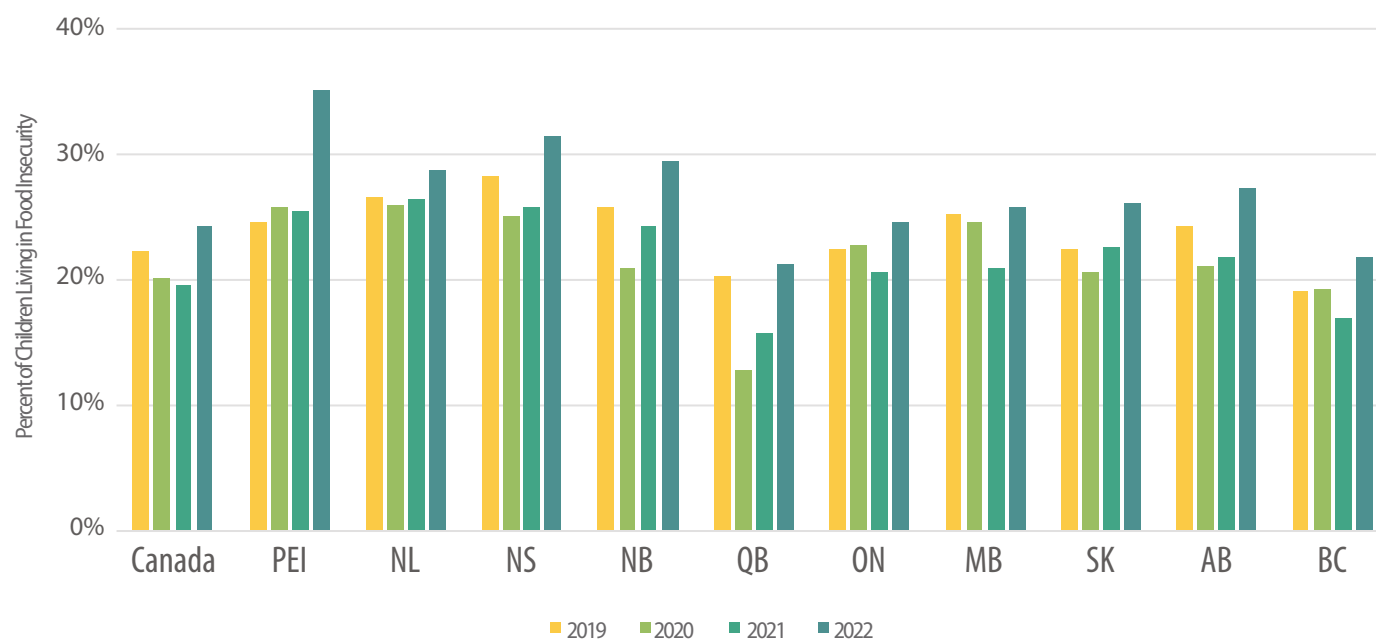


Figure 18: Children living in food insecure households graph<sup>48</sup>



The Island Food Security Program supports these goals through initiatives that increase access to affordable local food, and which improve health and food safety. Other Island initiatives that combat the effects of Food Insecurity include the Summer Food Program, School Food Program, expanded community fridge locations, and support for food banks and soup kitchens.

Locally, PEI had approximately 213,908 hectares of agricultural land in 2020, and a population of 175,853 people as of October 2023.<sup>1, 51</sup> With a growing population, and a decrease in productive agricultural land (see [Agriculture](#)), the ability to provide local food at a manageable cost is falling across the province. This has been compounded in recent years with increasing costs across all sectors.

Supports to [food security](#) in a land use capacity may include land uses that encourage soil improvements, mitigate erosion, reduce encroachment on agricultural land, and which create more opportunities for productive agricultural production. These efforts could include urban agriculture, aquaponics, hydroponics, aeroponics, and other productive agricultural land uses across the Island.

**Takeaway:** There is link between food security and the preservation of adequate agricultural land for domestic consumption. Ensuring the island retains productive and healthy farmland will need to be a priority of the land use plan.

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