GUIDING PRINCIPLES
FOR ASSESSING MUNICIPAL PROPERTY APPLICATIONS
under the *Prince Edward Island Lands Protection Act*
as adopted by Executive Council in EC2026-1104,
effective January 1, 2027

PURPOSE

In 2026, amendments to the Prince Edward Island Lands Protection Act (the Act) passed, establishing a new class of real property defined as “municipal property” to help ensure that all real property in Prince Edward Island falls under the protection of the Act.

These guiding principles are intended to assist the Commission in assessing municipal property applications in a manner consistent with the purpose of the Act and the policy objectives of Government.

Government recognizes the Commission's independent role in reviewing applications and formulating recommendations. These principles are intended to provide policy direction regarding the outcomes that administration of the Act should support, while preserving the Commission's discretion to assess each application on its individual merits.

Consistent with the purpose of the Act, Government expects the administration of the municipal property provisions to support:

- stewardship of Prince Edward Island's finite land base;
- housing supply for Islanders;
- sustainable and vibrant municipalities;
- responsible ownership and use of municipal properties; and
- public confidence in the administration of the Act.

GUIDING PRINCIPLES

Pursuant to the purpose of the Act (section 1.1), and the duties of the Commission in administering the Act (sections 8(1)-(2)* relating to the review of applications and the basis for review), the following guiding principles are the foundation upon which the Commission will base its recommendations.

Public Interest

The Commission is to consider broader public interest and support outcomes that benefit Prince Edward Island residents and municipalities over the long term.

As part of the Commission’s assessment, the following may be considered:

- the extent to which the proposed acquisition aligns with the purpose of the Act;
- anticipated impacts on Island residents and municipalities;
- broader economic, social, and cultural implications of the proposal; and
- any public benefits arising from the proposed acquisition.

Stewardship of Municipal Property
Municipal property is a finite and valuable resource. Decisions concerning ownership by non-residents should promote responsible stewardship and encourage ownership and use patterns that contribute positively to the long-term interests of Prince Edward Island. Existing permanent year-round housing should be preserved for that purpose.

As part of the Commission's assessment the following may be considered:

- the proposed use of the property;
- the existing use of the property;
- the effect of the proposed acquisition on the availability of permanent year-round housing; and
- the timeframe within which the property is expected to be developed or occupied.

Applications for the acquisition of permanent year-round housing for seasonal or other uses should be recommended for denial unless it has been clearly demonstrated to the Commission that the broader public interest would be served by the transaction.

Prevention of Speculative Harm
The Commission should consider whether a proposed acquisition may contribute to outcomes that are inconsistent with the objectives of the legislation, including any indicators that the acquisition is intended primarily for speculative purposes.

Applications that appear to be motivated primarily by speculation are to be recommended for denial.

Multiple Municipal Properties or Land
Local property ownership is a priority because of Prince Edward Island's limited geographical area and should primarily serve the housing, economic, agricultural, and community needs of those who live and work in the province. Non-resident ownership of multiple real properties may be inconsistent with this priority. Therefore, the Commission should consider the broader context of an applicant's existing interests in Prince Edward Island when evaluating municipal property applications.

The Commission may consider:

- existing land or municipal property holdings in Prince Edward Island;
- the relationship between existing holdings and the proposed acquisition;
- the cumulative impact of ownership interests; and
- the purpose for which existing and proposed properties are held.

As part of the Commission's assessment, the submission of a sworn statutory declaration in the prescribed form may be considered. Acquisitions by an individual who has proven they have relocated to the province but are not yet considered a resident person under the Act may be recommended for approval. Acquisitions by an individual indicating they will relocate to the province within a specified date may be recommended for approval where it has been clearly demonstrated to the Commission that the transaction is not speculative in nature.

APPLICATION OF THESE PRINCIPLES

The Commission shall administer the Act in a manner that is fair and consistent.

As part of the Commission's assessment, the following factors may be considered:

- the availability and reliability of relevant information;
- consistency with previous interpretations of similar circumstances;
- the need for clear and understandable reasons for recommendations; and
- procedural fairness.

Recommendations should support the long-term objectives of the legislation and the public interest it is intended to serve.

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*Excerpt from the *Prince Edward Island Lands Protection Act*:

The purpose of the Act is to provide for the regulation of property rights in Prince Edward Island, especially the amount of land or municipal property, as the case may be, that may be held by a person or corporation. The Act has been enacted in the recognition that Prince Edward Island faces singular challenges with regard to property rights as a result of several circumstances, including:

(a) historical difficulties with absentee land owners, and the consequent problems faced by the inhabitants of Prince Edward Island in governing their own affairs, both public and private;
(b) the province's small land area and comparatively high population density, unique among the provinces of Canada; and
(c) the fragile nature of the province's ecology, environment, and lands and the resultant need for the exercise of prudent, balanced, and steadfast stewardship to ensure the protection of the province's ecology, environment, and lands; and
(d) the effect of speculative housing activities on the availability and affordability of housing options for the inhabitants of Prince Edward Island where they live and work.

Pursuant to subsection 8(1) of the Act, the Commission shall:

(a) review all applications under sections 4, 5, and 5.3;
(b) obtain information pertinent to the application;
(c) recommend to the Lieutenant Governor in Council on the disposition of the application;

And pursuant to subsection 8(2) the Act, recommendations made by the Commission under subsection (1) shall be based on the following considerations:

(a) an assessment of the best use of the land or municipal property, as the case may be, based on the guidelines and policies established by the Lieutenant Governor in Council under clause 7(1)(a) of the Planning Act R.S.P.E.I. 1988, Cap. P-8;
(b) the most effective manner of ensuring the best use for the land or municipal property, as the case may be; and
(c) such other matters in relation to the economic and cultural needs of the people of the province as may be specified in policies adopted under section 8.1.