



CCPA-NS Submission to P.E.I. Residential Tenancy Office on the 2027 Maximum Allowable Rent Increase

Submitted August 12, 2026, by Catherine Leviten-Reid and Christine Saulnier

*We are making this submission to **recommend a rent freeze for the 2027 year, meaning a maximum allowable rent increase of zero.***

In P.E.I., renters are more likely to experience core housing need and struggle with affordability compared to home owners.¹ According to the last census, 14.1 per cent of renters were in core housing need compared to 3.8 per cent of homeowners. Further, 30.3 per cent of renters were paying 30 per cent or more of their income on their shelter costs (which means their housing wasn't affordable), while a far lower percentage of homeowners in the province were doing the same (8.8 per cent). For renters, it is therefore of critical importance that they don't face rent increases at this time, just as it was in 2023 when the government froze rents.²

Data from Canada Mortgage and Housing Corporation (CMHC) also show that rents in the province are very high. On average, and based on data from the Fall of 2025, rents for a one-bedroom apartment are \$1,067/month, which increase to \$1,483 for a three-bedroom.³ Of course, we know, based on the Canadian Housing Survey, that rents often don't include utilities, so on top of these amounts many tenants would have to pay some (or all) of their heat, lights and water bills.⁴ Meanwhile, about one quarter of all households in the province experience energy poverty.⁵ We also know that while the overall average provincial vacancy rate appears to have gone above two per cent (in

¹ Statistics Canada. (2023). *Census Profile*. 2021 Census of Population. Statistics Canada Catalogue no. 98-316-X2021001. Ottawa. Released November 15, 2023.

<https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/index.cfm?Lang=E> (accessed August 11, 2026).

² CBC News. (2022). "P.E.I. housing minister puts forward bill to limit rent increases to 0% for 2023."

<https://www.cbc.ca/news/canada/prince-edward-island/pei-rent-increase-bill-limit-zero-1.6636935>

³ CMHC. (2025). "Rental Market Survey Data Tables, Geography: Prince Edward Island, Edition: 2025."

https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/rental-market-report-data-tables?pdf_geo=5C830A2A-F217-46C3-B477-A975993D5548&pdf_edition=07EE50CB-59F4-425F-9E60-40FB6E5ED709

⁴ In P.E.I., 74% of rented units have water included. Only 23% have power included, while 55% have oil included. See MacIsaac, S. (2023). *What's included in Canadians' rent?* Government of Canada. Economic and Social Reports.

<https://doi.org/10.25318/36280001202300800003-eng>

⁵ Efficiency Canada. (2026). "Energy Poverty: Vulnerability Mapping PEI."

<https://public.tableau.com/app/profile/efficiency.canada/viz/EnergyPovertyVulnerabilityMapping/Dashboard#1>



2025), it remains below one per cent for units in the first quartile or those in the lowest 25 per cent of rent—the most affordable rentals.⁶

The 2025 P.E.I. living wage report⁷ showed that food and shelter are the two largest expenses for Islanders. It also showed that there's a gap of almost six dollars between the living wage of \$22.77 (calculated for 2025), and the current minimum wage. Implementing a rent freeze can serve as one of the many cost-of-living measures that are needed to assist low-income households in the context of this gap. A rent freeze is also needed for those in receipt of income assistance, since the welfare incomes of these individuals and families fall below the poverty line (the Market Basket Measure⁸) and amounts are not indexed to inflation.⁹ We know that most workers, and especially those precariously employed and low-waged, are also not receiving cost of living increases equal to the overall CPI; in 2025, average hourly wages in P.E.I. grew by \$0.55, or 1.9 per cent, and were the lowest in the country.¹⁰

Overall, rent control is critically important because so much of the rental housing stock in P.E.I. is owned and operated by private, for-profit landlords (approximately 82%, based on the 2021 census¹¹). Research shows that, unsurprisingly, private sector landlords operate with the goal of profit maximization, while public and non-profit providers of different kinds keep rents lower, and keep the well-being of tenants in mind in other ways (such as by connecting their housing to community services or building new housing in neighbourhoods where for-profit developers can't establish a business case to do so).¹²

⁶ CMHC. (2025). "Prince Edward Island – Historical Vacancy Rates by Rent Quartile."

<https://www03.cmhc-schl.gc.ca/hmip-pimh/en/TableMapChart/Table?TableId=2.2.33&GeographyId=11&GeographyTypeId=2&DisplayAs=Table&GeographyName=Prince%20Edward%20Island#>

⁷ Cerdas Sandí, D., Saulnier, C., and Williams, R. (2025). *2025 Living Wages for Newfoundland and Labrador, Nova Scotia and Prince Edward Island*. CCPA – Nova Scotia.

<https://www.policyalternatives.ca/wp-content/uploads/2025/08/2025-Living-Wages-for-NL-NS-and-PEI-Too-many-workers-struggle-to-make-ends-meet-1.pdf>

⁸ This is based on 2025 rates, with the analysis done by Maytree. See Maytree. (2026). "Prince Edward Island: Adequacy of welfare incomes."

<https://maytree.com/changing-systems/data-measuring/welfare-in-canada/prince-edward-island/#adequacy-of-welfare-incomes>

⁹ Maytree. (2026). "Indexation of benefits and credits."

<https://maytree.com/changing-systems/data-measuring/welfare-in-canada/indexation-of-benefits-and-credits/>

¹⁰ Statistics Canada. (2026). *Table 14-10-0064-01 Employee wages by industry, annual*. Labour Force Survey.

<https://doi.org/10.25318/1410006401-eng>

¹¹ Note this could be an underestimate, because the subsidized housing identified in the census includes units with rent supplements and housing allowances used in private market rentals. See Statistics Canada. (2023). *Census Profile. 2021 Census of Population*. Statistics Canada Catalogue no. 98-316-X2021001. Ottawa. Released November 15, 2023.

<https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/index.cfm?Lang=E> (accessed August 11, 2026).

¹² For more literature on this topic, see Wang, Y., & Bates, L. K. (2026). Eviction Filing Patterns in Subsidized Housing: Differences by Owner, Manager, and Program Type. *Housing Policy Debate*, 1-31; Buhler, S. (2021). Pandemic Evictions: An Analysis of the 2020 Eviction Decisions of Saskatchewan's Office of Residential Tenancies. *Journal of*



Since housing is so fundamental to the well-being of individuals and families, it is important to have legislation in place that constrains or limits the behaviour of for-profit actors, and rent control is certainly key to this. The evidence shows that rent control can keep downward pressure on the cost of rent, promotes long-term tenure, and helps bring stability to neighbourhoods with less displacement of current residents.¹³

We also want to highlight how important it is that P.E.I. has vacancy control in place (tying allowable increases to the unit) versus rent control that only applies to the tenant, and how a lack of vacancy control can negatively impact renters.¹⁴ For example, with the introduction of a rent cap in Nova Scotia tied only to leases rather than units, landlords have increasingly turned to using fixed term leases. This lease type leads to tenant turnover, at which point landlords can increase rents by whatever amount they choose. Of course, from the tenant's perspective, this creates housing instability, and also makes renters less likely to report repair needs on the chance their landlord might agree to putting a new fixed-term lease in place for them.

New housing construction doesn't simply decrease when rent control is introduced or increase when rent control is removed. CMHC shows substantial increase in housing starts and completions, including for rentals on P.E.I.¹⁵ Supply is affected by many factors, including demographics, land-use policy, other regulations, input costs and developer decisions made for profiteering, especially for large investors like Real Estate Investment Trusts (REITs). Of course, supply is also impacted by the will of governments to make significant and necessary investments in non-market housing, like public units.

In addition to implementing a rent freeze for the 2027 year, ***we recommend that the P.E.I. government make significant investments in the construction of non-market stock, and that they legislate housing as a human right in order to provide a legislative framework for housing policies and programs.*** In addition to contributing to housing affordability for renters, this would also be consistent with the province's goal of eliminating poverty.¹⁶

Law and Policy, 35 (35), Article 4 and Leviten-Reid, C., Lake, A., and Campbell, R. (2016). Exploring Organizational Form in the Affordable Rental Housing Sector. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 27(4), 1809-1830.

¹³ Mason, J.W. (2019). *Why Rent Control Works*. Jacobin.

<https://jacobinmag.com/2019/11/rent-control-housing-crisis-affordability-supply>

¹⁴ Main, H., Culligan, C. Dodge, A., and Lundrigan, E. (2025). *Human Rights in a Housing Crisis: Tenants' Experiences of Legal Access to Safe, Affordable, and Habitable Housing in Nova Scotia*. Dalhousie Legal Aid.

<https://static1.squarespace.com/static/6696910d957d8742a46abdc0/t/68f913466d70d3468b5b38e6/1761153862236/HUMAN+RIGHTS+IN+A+HOUSING+CRISIS.pdf>

¹⁵ CMHC,. (2026). "Housing Market Information Portal. Overview: Prince Edward Island."

<https://www03.cmhc-schl.gc.ca/hmip-pimh/en/Profile?id=11&t=2>

¹⁶ *Poverty Elimination Strategy Act*. 2021, R.S.P.E.I., c.25,

https://www.princeedwardisland.ca/sites/default/files/legislation/p-14-1-poverty_elimination_strategy_act.pdf



We also recommend that the P.E.I. government develop and administer a rent registry which would make previous rents for units publicly available and easily accessible, as well as historical information for each unit related to applications for above guideline increases in rents.

Recommendations:

- *Institute a rent freeze for the 2027 year, meaning a maximum allowable rent increase of zero.*

While we recognize that this consultation is primarily about allowable rental increase, this decision should be part of a comprehensive policy package, and as such we also recommend that the P.E.I. government should:

- *Make significant investments in the construction of non-market stock.*
- *Increase the income threshold and the amount of support provided to low income renters.*
- *Legislate housing as a human right in order to provide a legislative framework for housing policies and programs.*
- *Develop and administer a rent registry which would make previous rents for units publicly available and easily accessible, as well as historical information for each unit related to applications for above guideline increases in rents.*

The CCPA is an independent, non-partisan research institute concerned with issues of social and economic justice, as well as environmental sustainability.

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