NEWS RELEASE

$102.6 Million Acquisition to Transform Chartwell REIT into British Columbia's Largest Provider of Seniors Care

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MISSISSAUGA, ONTARIO --(CCNMatthews - May 24, 2005) -

Conference Call to be Held at 5:00 pm ET, Tuesday, May 24, 2005

Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) and CPAC (Care) Holdings Inc. ("CPAC") of Vancouver, British Columbia, announced today that Chartwell will offer to acquire all the issued and outstanding common shares of CPAC at a price of $1.55 per share or approximately $37.5 million. Holders of approximately 82% of the CPAC shares have already agreed to tender their CPAC shares to Chartwell's offer. CPAC's shares are listed on the TSX Venture Exchange.

Chartwell will also assume approximately $65.1 million in liabilities from CPAC, bringing the total cost of the transaction to approximately $102.6 million. Chartwell will fund the acquisition from its available cash on hand and existing lines of credit.

Upon completion of the transaction, Chartwell will become the largest owner and operator of seniors residential facilities in British Columbia with a total of 2,955 suites in 23 facilities in most major B.C. markets.

CPAC is one of the leading providers of seniors care in British Columbia, owning five seniors communities in Langley, South Surrey, Burnaby, Nanaimo and Qualicum Beach, with 1,357 suites, including 497 suites under development. In business since 1995, CPAC has pioneered a unique concept in seniors care that offers the full continuum of care including long-term care, funded assisted living, independent seniors apartments and

condominiums, all within the same "campus of care". By accommodating a senior through all phases of retirement life within one property, CPAC's campus of care meets the demands of Canadians wishing to remain in one location and therefore has enjoyed sustained high occupancies and very low turnover.

"We are very pleased and excited to be acquiring this high quality portfolio and management team," commented Stephen Suske, Vice Chair and President. "Chartwell will become the leading provider of the complete spectrum of seniors care in British Columbia with a strong presence in key regions. We are especially pleased to be acquiring our first homes on Vancouver Island, one of Canada's fastest growing retirement markets."

"Chartwell's commitment to the care and service of its residents is directly in line with our operating principles and we are confident that our residents, their families and all of our employees will benefit from becoming members of the growing Chartwell family" added Mr. Don Ho, CPAC's President and CEO.

The transaction will bring a number of benefits to Chartwell and its Unitholders:

- The acquisition will be immediately accretive to Chartwell's distributable income.

- Chartwell will become B.C.'s largest owner and operator of seniors residences.

- The acquisition provides Chartwell with an immediate presence in the B.C. licensed care sector and the opportunity to compete effectively in expanding its presence through future proposal calls.

- Chartwell's management strength in Western Canada will be bolstered through the acquisition of key members of the CPAC management team.

- With CPAC's decade of operating experience in the province, the acquisition provides a solid foundation on which to expand Chartwell's presence and the unique "campus of care" concept.

- Chartwell acquires the potential to generate profits and cash flow from the sale of exceptionally high quality and attractively priced seniors condominium units under development.

- Chartwell will realize significant cost and operating synergies with its expanded B.C. operations.

- The acquisition represents over one-third of Chartwell's targeted 2005 acquisitions from third parties, excluding purchases from Spectrum Seniors Housing Development LP.

Chartwell will be acquiring the following assets from CPAC:

Property	Location	RH Suites	Care Beds	Total	Year Built
Retirement Communities:					
Crescent Gardens	South Surrey	110	75	185	1997
Langley Gardens	Langley	117	92	209	2000
Langley Gardens at Village Square	Langley	92	-	92	2002
Village Square Retail	Langley	-	-	-	2002
Senior Care Facilities:					
Carlton Gardens	Burnaby	-	153	153	1966
Malaspina Gardens	Nanaimo	-	135	135	1942/ 1992
Arranglen Gardens	Qualicum Beach	-	86	86	1976
Properties Under Development:					
Malaspina Gardens	Nanaimo	-	26	26	TBA
Crescent Gardens Phase II	South Surrey	85	-	85	TBA
Crescent Gardens Phase III	South Surrey	66	-	66	TBA
Arranglen Gardens - Land & Buildings	Qualicum Beach	-	-	-	TBA
Gardens at Qualicum Beach - Retirement Community	Qualicum Beach	92	96	188	2006
Gardens at Qualicum Beach - Condo Units	Qualicum Beach	39	-	39	2006
The Residences at Village Square - Condo Units	Langley	93	-	93	2005
The Residences at Village Square - Retail	Langley	-	-	-	2005
Management Businesses					
CPAC (Care) Management Inc.	Vancouver				
Senior Lifestyles Services Inc.	Vancouver				
Total		694	663	1,357	

(In all of the Langley properties, CPAC currently owns a 50% interest and its co-owners, Rieding Projects Ltd., own the balance. In all of the Qualicum Beach properties, CPAC currently owns a 50% interest and its co-owners, Mancal Lifestyles Inc., own the balance. On closing and in compliance with its Development Agreement with Spectrum Seniors Housing Development LP, Chartwell will sell its 50% interest in the Qualicum Beach properties to Spectrum at appraised value, as well as, provide Spectrum with mezzanine financing to complete the purchase. Once the project is completed and has reached stabilization, Chartwell will purchase the property at a discount to appraised value from Spectrum. Prior to its approval of this transaction, Chartwell's Board received a fairness opinion from Canaccord Capital Corporation, an independent investment advisor, concerning the entire CPAC transaction, including the transaction with Spectrum.)

(CPAC (Care) Management Inc. provides management and consulting services to CPAC's subsidiaries and third parties and Senior Lifestyles Services Inc. is a home support agency providing homecare or nursing support to Crescent Gardens, Langley Gardens and Village Square)

Following the completion of the transaction, Chartwell's total portfolio, including managed properties and those under development, will increase to 15,543 suites in 136 facilities. Chartwell's expanded presence in British Columbia will see that Province account for approximately 19% of the total portfolio, up from 11% at the end of the first quarter of 2005, further enhancing the REIT's geographic diversification.

CPAC's Board of Directors will be unanimously recommending that CPAC shareholders accept the offer. Each of the directors, founders and senior management of CPAC and other major CPAC shareholders who own or control in the aggregate approximately 82% of the CPAC common shares have entered into lock-up agreements with Chartwell to tender all their shares to the offer. CPAC has agreed to support the offer and not to solicit or initiate discussions or negotiations with any third party regarding CPAC.

Chartwell intends to acquire all the common shares of CPAC and will be able to compulsorily acquire any non-tendered CPAC common shares if the offer is accepted by the holders of at least 90% of the CPAC common shares. Alternatively, upon acceptance of the Chartwell offer by holders of 82% of the CPAC common shares under the lock-up agreements, Chartwell will be able to unilaterally acquire any CPAC common shares not tendered under its offer through a subsequent transaction carried out in accordance with applicable securities laws.

The offer will be subject to customary conditions including securities and health authority regulatory approvals and certain third party and lender consents and acceptance by holders of at least 90% of the issued and outstanding CPAC common shares, calculated on a fully-diluted basis. The take-over bid circular is expected to be mailed to CPAC's shareholders during the week of May 30 and the expiry date is expected to be during the week of July 4th.

RBC Capital Markets acted as exclusive financial advisor to CPAC in connection with the transaction.

CONFERENCE CALL

Chartwell will hold a conference call at 5:00 pm ET on Tuesday, May 24, 2005 to discuss the proposed acquisition. To participate in the conference call, please dial (416) 405-9328 or toll free at (800) 387-6216 at least ten minutes before the start of the call. The conference call can also be heard over the Internet at **www.chartwellreit.ca**. Click on "Investor Relations" and follow the link at the top of the page.

The telephone numbers to listen to the call after it is completed (Instant Replay) are (416) 695-5800 or (800) 408-3053. The Passcode for the Instant Replay is 3154500#. The Instant Replay will be available until midnight, May 30, 2005. The call will also be archived on the Chartwell REIT web site at **www.chartwellreit.ca**.

Chartwell REIT is a growth-oriented investment trust owning and managing a complete spectrum of seniors housing properties, and is currently the second largest participant in the Canadian seniors housing business. Chartwell REIT will capitalize on the strong demographic trends present in its markets to grow internally and through accretive acquisitions. Chartwell REIT also has an exclusive option to purchase stabilized facilities from Spectrum Seniors Housing Development LP, a seniors housing development company.

Chartwell's Distribution Reinvestment Plan (DRIP) allows Unitholders to have their monthly cash distributions used to purchase units without incurring commission or brokerage fees, and receive bonus units equal to 3% of their monthly cash distributions. More information can be obtained at **www.chartwellreit.ca**

Certain statements contained in this news release may include forward-looking information with respect to Chartwell Seniors Housing Real Estate Investment Trust's operations and future financial results. Such statements are based on current expectations, are subject to a number of uncertainties and risks, and actual results may differ materially from those contained in such statements. These uncertainties and risks include, but are not limited to, availability of resources, competitive pressures, changes in market activity and regulatory requirements. Further information can be found in the disclosure documents filed by Chartwell Seniors Housing Real Estate Investment Trust with the securities regulatory authorities, available at **www.sedar.com**.

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