NEWS RELEASE

Chartwell Announces First Quarter 2011 Results

2011-05-13

MISSISSAUGA, ONTARIO--(Marketwire - May 13, 2011) - Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) announced today results for the three months ended March 31, 2011.

Q1 2011 Highlights

- Same property occupancy grew to 90.2% driven by strong improvements in Western Canada and in the United States.
- Collected $7.6 million of mezzanine loans reducing net mezzanine loans outstanding to $12.6 million.
- Strengthening balance sheet with improving interest coverage and indebtedness ratios.

"We continue to make progress on achieving our key business objectives, building on the solid performance in 2010. The contribution from our core property operations rose, as a percentage of total AFFO, in the first quarter of 2011, while we maintained our focus on improving operating performance and efficiencies, reducing our mezzanine loan exposure and further strengthening our financial position," commented Brent Binions, President and CEO. "Looking ahead, with an improved economic outlook and the significant decline in seniors housing construction starts in many of our markets, we remain cautiously optimistic for further progress through the balance of 2011."

Financial Highlights

Three months ended March 31,	2011	2010
Adjusted Funds from Operations ("AFFO") (000s) (1)	$ 20,250	$ 19,788
AFFO per unit diluted (1)	$ 0.14	$ 0.15
Funds from Operations ("FFO") (000s) (1)	$ 22,650	$ 21,913
FFO per unit diluted (1)	$ 0.16	$ 0.17
Distributions declared (000s)	$ 19,512	$ 17,537
Distributions declared per unit	$ 0.135	$ 0.135
Distributions declared as a percentage of AFFO	96.4%	88.6%
Weighted average number of units outstanding, diluted (000s)	144,987	130,374

(1) AFFO, AFFO per unit diluted, FFO and FFO per unit diluted are measures used by management in evaluating operating performance. Please refer to the cautionary statements under the heading "Non-IFRS Measures" in this press release.

AFFO in the first quarter of 2011 was $20.3 million ($0.14 per unit diluted), compared to $19.8 million ($0.15 per unit diluted) for the first quarter of 2010. Incremental contribution from the property portfolio due to acquisitions completed in the prior year, and lower interest expense due to the redemption of $125 million of convertible debentures in the fourth quarter of 2010 were offset by lower mezzanine loan interest and management fee income as well as higher General, Administrative and Trust expenses ("G&A") primarily related to costs associated with information technology, process efficiency reviews as well as added costs of the Harmonized Sales Taxes ("HST"). Per unit amounts were impacted by the 11% increase in weighted average number of units outstanding compared with the prior year's first quarter.

In the first quarter of 2011, FFO increased to $22.7 million ($0.16 per unit diluted) from $21.9 million ($0.17 per unit diluted) in the first quarter of 2010. In addition to the items discussed in the paragraph above, FFO has also been impacted by changes in amortization of financing costs and fair value adjustments on mortgages payable.

Operating Performance

Three months ended March 31,	2011	2010	Increase/ (Decrease)

Same Property Occupancy (1)	90.2%	90.0%	0.2 pp
Same Property Net Operating Income ("NOI") (000s) (2)	$ 42,078	$ 42,112	$ (34)
G&A expenses (000s)	$ 6,161	$ 5,578	$ 583
G&A as a percentage of revenue	3.4%	3.4%	-
Net Loss (000s)	$ (18,464)	$ (18,777)	$ 313

(1) pp = percentage points
(2) NOI is a measure used by management in evaluating operating performance. Please refer to the cautionary statements under the heading "Non-IFRS Measures" in this press release.

Same property weighted average occupancies increased in the first quarter of 2011 compared to the same period in the prior year primarily due to strong occupancy growth in Western Canada, the United States and Quebec, offset by a decline in Ontario.

Same property NOI remained relatively flat in the first quarter of 2011 compared to the same period of 2010 as the NOI growth in our long term care, Western Canada and Quebec platforms was offset by a decrease in same property NOI in the United States portfolio and in Ontario.

G&A expenses increased by $0.6 million in the first quarter of 2011 compared to the same period in 2010, primarily due to higher investments in information technology and process efficiency reviews. In addition both property operating expenses and G&A costs were affected by HST in Ontario and British Columbia, which added approximately $0.5 million of new expenses in the first quarter of 2011, compared to the first quarter of prior year.

In addition to the items discussed above impacting AFFO and FFO, net loss in the first quarter of 2011 was impacted by higher depreciation and amortization charges resulting from acquisitions, changes in deferred income tax expense / recovery and changes in fair value of certain financial liabilities.

Strong Financial Position

At March 31, 2011, cash on hand amounted to $11.8 million and the unused borrowing capacity on the Credit Facility was $19.8 million.

At March 31, 2011, the Indebtedness Ratio was 55.1% (57.4% including convertible debentures), compared to 55.3%

(57.7% including convertible debentures) at December 31, 2010. The first quarter interest coverage ratio was 1.87x, compared to 1.84x for the year ended December 31, 2010. The average term to maturity of the mortgage portfolio was 7.3 years with a contractual weighted average interest rate of 5.43%.

Subsequent to March 31, 2011, Chartwell arranged new financing on one of its properties in Quebec. The new $22.2 million mortgage is CMHC-insured, bears interest at 4.82% and matures in June 2036. Net proceeds from this financing were partially used to repay borrowings under the Credit Facility. In addition, management expects to complete financing of one other unencumbered property during Q2 2011, in the amount of approximately $23.1 million, and to further reduce amounts outstanding under the Credit Facility.

Recent Developments

Subsequent to March 31, 2011 Chartwell acquired Spectrum's one third interest in a property in Mississauga, Ontario for $11.1 million before closing costs. The purchase price was settled by the assumption of debt of $7.6 million, the settlement of the outstanding mezzanine loan of $1.0 million, with the balance, net of working capital adjustments, paid in cash.

Chartwell's financial statements, including its Management's Discussion and Analysis ("MD&A"), are available at **www.chartwellreit.ca**. A detailed list of Chartwell's property portfolio can also be obtained under "Supplementary Information" in the "Investor Relations" section of the web site.

Investor Conference Call

A conference call hosted by Chartwell's senior management team will be held Monday, May 16, 2011 at 9:00 AM ET. The telephone numbers for the conference call are: Local (416) 849-5562 or Toll Free: (866) 269-7096. The conference call can also be heard over the Internet by accessing the Chartwell website at **www.chartwellreit.ca**, clicking on "Investor Relations" and following the link at the top of the page. A slide presentation to accompany management's comments during the conference call will be available on the website. Please log on at least 15 minutes before the call commences.

The telephone numbers to listen to the call after it is completed (Instant Replay) are local (416) 915-1035 or toll-free (866) 245-6755. The Passcode for the Instant Replay is 263087. The call, along with the companying slides, will also be archived on the Chartwell website at **www.chartwellreit.ca**.

Chartwell is a real estate investment trust which indirectly owns and operates a complete range of seniors housing communities from independent supportive living through assisted living to long term care. It is one of the largest participants in the seniors housing business in North America. Chartwell's aim is to capitalize on the strong

demographic trends present in its markets to maximize the value of its existing portfolio of seniors housing communities, and prudently avail itself of opportunities to grow internally and through accretive acquisitions.

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**.

Forward-Looking Information

This press release contains forward-looking information that reflects the current expectations, estimates and projections of management about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry. The words "plans", "expects", "does not expect", "is expected", "budget", "scheduled", "estimates", "intends", "anticipates", "does not anticipate", "projects", "believes" or variations of such words and phrases or statements to the effect that certain actions, events or results "may", "will", "could", "would", "might", "occur", "be achieved" or "continue" and similar expressions identify forward-looking statements. Forward-looking statements are based upon a number of assumptions and are subject to a number of known and unknown risks and uncertainties, many of which are beyond our control, and that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements.

While we anticipate that subsequent events and developments may cause our views to change, we do not intend to update this forward-looking information, except as required by applicable securities laws. This forward-looking information represents our views as of the date of this press release and such information should not be relied upon as representing our views as of any date subsequent to the date of this document. We have attempted to identify important factors that could cause actual results, performance or achievements to vary from those current expectations or estimated expressed or implied by the forward-looking information. However, there may be other factors that cause results, performance or achievements not to be as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. These factors are not intended to represent a complete list of the factors that could affect us. See "Risks and Uncertainties" in our 2010 MD&A and risk factors highlighted in materials filed with the securities regulatory authorities in Canada from time to time, including but not limited to our most recent Annual Information Form.

Non-IFRS Measures

Funds from Operation ("FFO"), Adjusted Funds from Operations ("AFFO") and Net Operating Income ("NOI") are not

measures defined by International Financial Reporting Standards ("IFRS"). They are presented because we believe these non-IFRS measures are relevant measures of Chartwell's performance. FFO, AFFO and NOI as computed may differ from similar computations as reported by other issuers and may not be comparable to those reported by such issuers. Chartwell's Q1 MD&A contains a reconciliation of Net Income/Loss to FFO and the calculation of AFFO for the three months ended March 31, 2011. Detailed descriptions of these terms are contained in Chartwell's 2010 MD&A, available at **www.sedar.com**.

FOR FURTHER INFORMATION PLEASE CONTACT:
Chartwell Seniors Housing Real Estate Investment Trust
Vlad Volodarski
Chief Financial Officer
(905) 501-4709
Fax: (905) 501-4710(FAX)
vvolodarski@chartwellreit.ca
www.chartwellreit.ca

Source: Chartwell Seniors Housing REIT

Contact: Chartwell Seniors Housing Real Estate Investment Trust Vlad Volodarski Chief Financial Officer (905) 501-4709 Fax: (905) 501-4710(FAX) vvolodarski@chartwellreit.ca www.chartwellreit.ca