NEWS RELEASE

Chartwell Announces Fourth Quarter & Year-End 2008 Results

2009-03-17

MISSISSAUGA, ONTARIO -- (MARKET WIRE) -- 03/17/09 -- Chartwell Seniors Housing Real Estate Investment Trust (TSX: CSH.UN) announced today results for the three months and year ended December 31, 2008.

2008 OPERATING & FINANCIAL SUMMARY:

- Total same property NOI rises 3.8%

- Strong weighted average occupancy of 93.1%, excluding internal growth suites

- General, administrative and trust expenses, excluding Special Committee and related costs, declined to 2.6% of revenues

- Pre-tax AFFO of $0.72 per unit diluted, excluding provision for impairment of mezzanine loans of $0.06 per unit, exceeded guidance range of $0.69 to $0.71 per unit diluted

- Non-cash provision for impairment of goodwill of $64.5 million recorded

STABLE FINANCIAL POSITION AND LIQUIDITY:

- Average term to maturity on mortgage portfolio 8.7 years

- Weighted average contractual interest rate reduced to 5.65%

- Approximately 85% of 2009 mortgage maturities CMHC-insured

- No U.S. debt maturity until 2013

- Leverage ratio of 61.7% including convertible debentures

Operating Performance

Same Property Net Operating Income ("NOI") increased $5.9 million or 3.8% for the year ended December 31, 2008 compared to the prior year. For the fourth quarter of 2008, same property NOI decreased $0.2 million or 0.4% compared to the same period of the prior year, primarily as a result of reduced performance in the U.S. and Quebec portfolios. Innovative marketing programs and cost reduction initiatives have been implemented in the United States to improve performance. In addition, new property management contracts have been obtained in the U.S. to augment AFFO. During the fourth quarter of 2008, Chartwell acquired the remaining 50% interest in seven co-owned seniors housing communities in Quebec and its Quebec management operations. As a result, Chartwell now has full control of its Quebec platform, and management is applying its proven strategies to improve occupancies, increase operating margins and capture synergies with the result that improved performance is beginning to be experienced through the first quarter of 2009. In addition, the majority of construction and renovation projects that hampered occupancies during 2008 have now been completed. Chartwell's Ontario retirement and Western Canadian properties continued to achieve strong growth in the fourth quarter of 2008, partially offsetting the reduced NOI from the U.S. and Quebec operations.

"The successful execution of our operating strategies, combined with our ability to better manage our supply chain and implement best practice staffing and operating models due to the increased size and scale of our property portfolio, is delivering improved results both financially, and by increasing the quality of the products and services we deliver to our residents," commented Stephen Suske, CEO and Vice Chair.

For 2008, acquisitions contributed $56.7 million of NOI, an increase of $21.0 million compared to 2007, excluding the impact of foreign exchange. In the fourth quarter of 2008, acquisitions contributed NOI of $14.2 million, an increase of $1.5 million compared to the same prior year period, excluding the impact of foreign exchange.

For 2008, mezzanine loan interest was $11.4 million compared to $13.3 million for 2007. The decline was due to adjustments to placement fee amortization resulting from delays in expected stabilization dates for certain properties.

Income from Chartwell's Canadian management operations in 2008 decreased to $5.0 million compared to $10.2 million in the prior year. For the fourth quarter of 2008 income from the Canadian management operations was

$1.2 million compared to $2.5 million for the same period in 2007. The declines are due primarily to lower development management fees from Spectrum, reduced due diligence and asset management fees from ING, and lower fees from other third parties.

General and Administrative ("G&A") expenses, as a percentage of revenue, for 2008 declined to 2.6% compared to 2.9% 2007, excluding advisory services and other costs related to the Board of Trustees' Special Committee. For the three months ended December 31, 2008, G&A expenses, excluding the above items, decreased to 2.5% as a percentage of revenues compared to 3.0% for the same period last year.

Provision for Impairment of Three Mezzanine Loans:

With the continuing deterioration of general credit conditions affecting the availability of debt for property development, the completion of three development projects in Quebec on which Chartwell advanced mezzanine loans to Melior became uncertain. In the fourth quarter of 2008, Melior failed to make interest payments on these three loans. Chartwell's investment in these three loans was $10.5 million, net of unamortized placement fees of $2.5 million. Chartwell obtained external valuations of the underlying security for these mezzanine loans and recorded a provision for impairment of mezzanine loans in the fourth quarter of 2008 of $6.4 million before future tax recoveries. Chartwell is working with Melior on settlement arrangements for these loans, failing which Chartwell will exercise its rights under the loan agreements.

Provision for Impairment of Goodwill:

During the fourth quarter of 2008, Chartwell's market capitalization remained below its net book value and management concluded this represented a circumstance that indicated it may be more likely than not that the fair value of its reporting units may be below their carrying amounts. Accordingly Chartwell updated its annual goodwill impairment test for each of its identified reporting units and determined that the carrying value of goodwill exceeded its estimated fair value as at December 31, 2008. As a result, Chartwell recorded a non cash provision for impairment of $64.5 million.

Funds from Operations(i) ("FFO") and Adjusted Funds from Operations(i) ("AFFO"):

For the year ended December 31, 2008, FFO increased to $83.1 million ($0.82 per unit diluted) from $55.2 million ($0.58 per unit diluted) in 2007. FFO increased to $23.2 million ($0.23 per unit diluted) in the fourth quarter of 2008 compared to $14.3 million ($0.14 per unit diluted) in the same period last year. FFO and FFO per unit were positively affected by increased realized and unrealized foreign exchange gains of $18.2 million ($0.18 per unit diluted) for the year ended December 31, 2008 and $12.5 million ($0.12 per unit diluted) in the fourth quarter of 2008. These realized and unrealized gains are predominantly related to cross-border U.S. dollar denominated loans used to

finance Chartwell's U.S. operations and U.S. cash balances. FFO in the fourth quarter and year ended December 31, 2008 also reflected strong, positive contributions from Chartwell's property portfolio due primarily to rate increases, cost management programs and the contributions from new properties. These improvements were partially offset by the provision for impairment of mezzanine loans as described above and reduced income from non-property sources.

For the year ended December 31, 2008, AFFO was $65.2 million ($0.64 per unit diluted) compared to $68.4 million ($0.72 per unit diluted) for 2007. The decrease in AFFO in 2008 is due primarily to the provision for impairment of mezzanine loans, reduced development and other management fees, lower amortization of placement fees, and lower interest income on invested cash balances. These decreases were partially offset by higher contributions from property NOI, reduced G&A expenses, reduced provisions for current income tax and realized foreign exchange gains. Excluding the provision for impairment of mezzanine loans, AFFO was $0.72 per unit diluted in 2008. For the three months December 31, 2008, AFFO was $11.3 million ($0.11 per unit diluted) compared to $15.3 million ($0.15 per unit diluted) for the same period last year. Not including the provision for impairment of mezzanine loans, AFFO for the fourth quarter of 2008 was $0.17 per unit diluted.

"Our results in 2008 are consistent with our efforts to focus on growing high quality, property based AFFO and reducing our emphasis on development and management fee income streams." Mr. Suske added.

Financial Position

As at December 31, 2008, Chartwell's leverage of debt to gross book value of its assets was 55.2% (61.7% including convertible debentures). The average term to maturity for its mortgage portfolio was 8.7 years, down slightly from 9.1 years as the end of 2007, with a contractual weighted average interest rate of 5.65% down from 5.81% at the end of 2007.

Chartwell has 11.5% ($147.3 million) and 5.1% ($65.3 million) of its debt maturing in 2009 and 2010 respectively. Of the mortgages maturing in 2009 and 2010, approximately 85% and 58%, respectively, are CMHC-insured. Maturing debt through to 2012 relates exclusively to Chartwell's Canadian property portfolio. There are no maturities of U.S. debt until 2013. Management expects to renew or replace the maturing mortgages in the normal course. Subsequent to year-end Chartwell refinanced $57.1 million of 2009 maturing debt with three to five year CMHC-insured mortgages with a weighted average interest rate of 3.39%, considerably lower than the 5.2% weighted average rate on the maturing mortgages.

"We expect our mortgage refinancing programs this year will result in substantial interest rate savings while at the same time we are maintaining a well-balanced mortgage portfolio with a conservative average term to maturity" stated Vlad Volodarski, CFO.

"Looking ahead, performance improvements will be driven by annual increases in rents, the result of strong industry fundamentals and the value proposition we offer in our markets. In addition, ongoing interest rate savings, the new Spectrum properties acquired in the first quarter of 2009, and the new management contracts obtained by our U.S. management team will also contribute to increased cash flow going forward," Mr. Suske concluded.

Financial Highlights

Period Ended December 31,	Three Months		Year	
($000s except per unit amounts)	2008	2007	2008	2007
Revenues:				
Property Revenue	188,973	163,814	695,970	604,195
Mezzanine Loan Interest	3,168	2,568	11,387	13,342
Management and Other Fees	2,178	3,653	9,092	14,180
Other Income	1,624	3,130	8,860	13,320
Total Revenues	195,943	173,165	725,309	645,037
Net Loss	(69,128)	(10,116)	(99,472)	(67,339)
Net Loss per unit (diluted)	(0.72)	(0.11)	(1.06)	(0.78)
Funds from Operations	23,249	14,317	83,124	55,176
Funds from Operations per unit (diluted)	0.23	0.14	0.82	0.58
Normalized Funds from Operations	13,000	18,024	73,411	75,939
Normalized Funds from Operations per unit (diluted)	0.13	0.18	0.73	0.80
Adjusted Funds from Operations	11,289	15,335	65,248	68,395
Adjusted Funds from Operations per unit (diluted)	0.11	0.15	0.64	0.72
Distributions declared	18,555	26,417	79,265	100,984
Distributions declared per unit	0.19	0.27	0.79	1.07
Weighted average units outstanding (diluted)	101,674	100,180	101,185	94,950

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

Investor Conference Call

A conference call hosted by Stephen Suske, Chief Executive Officer and Vice Chair, Brent Binions, President, and Vlad Volodarski, Chief Financial Officer, will be held Wednesday, March 18, 2009 at 10:00 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. Access the Chartwell REIT web site at **www.chartwellreit.ca**, click on "Investor Relations" and follow the link at the top of the page. A slide presentation to accompany management's comments during the conference call will be available. To view the slides, access the Chartwell web site at **www.chartwellreit.ca**, click on "Investor Relations" and follow the link at the top of the page. 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 49072#. The Instant Replay will be available until midnight, March 26, 2009. The call, along with the companying slides, will also be archived on the Chartwell REIT web site at **www.chartwellreit.ca**.

Chartwell is an investment trust focused on generating sustainable, stable and growing cash distributions from owning and managing a complete spectrum of seniors housing communities. It is the largest participant in the Canadian seniors housing business and the third largest in North America. Chartwell will capitalize on the strong demographic trends present in its markets to maximize the value of its existing portfolio of seniors housing facilities, 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**.

This press release contains forward-looking information that reflect the current expectations of management about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "believe", "project", "should" or "continue" or the negative thereof or similar variations. 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 Chartwell's control 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 have an intention 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 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.

(i) Funds from Operation, Normalized Funds from Operations, Adjusted Funds from Operations and Net Operating Income are not measures recognized under GAAP and do not have a standardized meaning prescribed by GAAP. They are presented because management believes these non-GAAP measures are relevant measures of Chartwell's performance. Funds from Operations, Normalized Funds from Operations, Adjusted Funds from Operations and Net Operating Income as computed by Chartwell may differ from similar computations as reported by other organizations and, accordingly, may not be comparable to those reported by such organizations. Detailed descriptions of these terms are contained in Chartwell's Management Discussion and Analysis, available at **www.sedar.com**.

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