NEWS RELEASE

Chartwell Announces Solid Second Quarter 2007 Results

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MISSISSAUGA, ONTARIO -- (MARKET WIRE) -- 08/09/07 -- Chartwell Seniors Housing Real Estate Investment Trust (TSX: CSH.UN) announced today solid results for the three and six months ended June 30, 2007.

PROPERTY HIGHLIGHTS:

- Growing property revenues and net operating income ("NOI") continue to strengthen all operating platforms

- Same property occupancies for the stabilized portfolio stable at 93.7%

- Total same property revenues up 2.8% in quarter and 3.6% through first half of 2007

- Canadian retirement communities same property revenues rise 4.2% in Q2 and 4.7% through first half of 2007

- Canadian retirement communities same property NOI up 1.0% in Q2 and 3.2% through first half of 2007

- Property revenues up 97% through first half of 2007 due to significant portfolio growth

US HIGHLIGHTS:

- Acquired interests in 8,509 suites in 54 US communities through first half of 2007

- Increased size of US portfolio makes strong contribution to consolidated results

ACQUISITION HIGHLIGHTS:

- Acquired interests in 69 communities containing 10,853 suites for $846.0 million through first half of 2007

- Financing capacity in place to acquire another $574 million in accretive acquisitions

- Acquisition pipeline remains robust

- Total portfolio grows to 36,933 suites in 267 communities at June 30, 2007

- Now third largest owner and operator of seniors housing in North America

FINANCIAL HIGHLIGHTS:

- Consolidated revenues up 90% in first half of 2007 on successful execution of focused growth strategies

- Mezzanine loan interest rises 18% and 21% in Q2 and first six months of 2007, respectively

- General and administrative ("G&A") expenses improves to 3.3% of revenues in the second quarter of 2007, down from 5.2% in the second quarter of last year

- Normalized G&A expenses flat for past four quarters despite significant growth

- Average term to maturity on mortgage portfolio increases to 9.3 years, up from 7.0 years at December 31, 2006

- Weighted average interest rate remains stable at 5.5%

Revenue Growth Continues

Total revenues increased 90.9 % to $156.3 million for the three months ended June 30, 2007 compared to $81.9 million in the same quarter last year. Property revenues were up 97.9% in the quarter due primarily to the $74.9 million contribution in revenue from the acquisition of interests in 16,573 suites since January 1, 2006, and a 2.8% increase in same property revenues resulting from organic growth initiatives, increased rents, new resident services, and stable average occupancies compared to the prior year. For the first half of 2007, total revenues increased 90.1% to $294.6 million compared to $155.1 million for the same period last year.

Chartwell's total portfolio, including suites owned, managed, in lease-up, or in various stages of development, grew to interests in 36,933 suites in 267 retirement communities as at June 30, 2007. Its owned and leased portfolio grew

to interests in 27,446 suites in 198 communities at June 30, 2007. Occupancies for the existing stabilized portfolio, excluding internal growth suites, increased by approximately 0.1% to 93.7%.

Mezzanine loan interest before yield adjustments in the second quarter of 2007 increased 18.3% compared to the same period last year due to higher loan balances outstanding in 2007. For the first six months of 2007, mezzanine loan interest before yield adjustments increased 20.8 % compared to last year.

Fee income on a gross basis for the second quarter of 2007 decreased by $0.6 million to $2.8 million from $3.4 million last year due primarily to lower development management fees from Spectrum and lower fees from ING, offset by higher amortization of mezzanine placement fees from Melior. Fees from ING in the second quarter of 2006 included a due diligence project management fee of approximately $0.9 million. There were no such fees earned in the second quarter of the current year as the expected closing of the Regency Care transaction was delayed. Chartwell expects to recognize approximately $0.6 million of due diligence project management fees from ING related to the Regency Care transaction in the third quarter of this year. For the six months ended June 30, 2007, gross fee income was approximately $7.4 million, in-line with results for the same period last year.

"Our growth continued in 2007 after a record year in 2006 as we expanded our presence in key markets throughout North America," commented Stephen Suske, Vice Chair and Co-CEO. "Looking ahead, we are confident that by continuing to execute our acquisition, development and internal growth initiatives, we will generate sufficient cash flow to maintain our current level of distributions over the long term and to meet our primary goal of matching FFO with these distributions."

Solid Operating Performance

For Chartwell's Canadian retirement operations, same property net operating income increased to $16.9 million in the second quarter of 2007 compared to $16.7 million the prior year due primarily to annual rent increases, the introduction of new resident services, cost saving initiatives and internal growth programs. For the six months ended June 30, 2007, same property NOI for the Canadian retirement operations rose 3.2% to $33.3 million. Acquisitions contributed $6.8 million and $12.6 million in NOI for the three and six months ended June 30, 2007, respectively. Excluding internal growth suites which are in lease-up, weighted average occupancies for the six months ended June 30, 2007 increased to 93.4% compared to 92.8% last year.

For Chartwell's Canadian long-term care operations, same property net operating income declined 2.9% in the second quarter and 9.1% for the six months ended June 30, 2007 due to higher utility costs, higher food costs due to prior period inventory adjustments of approximately $0.1 million, lower occupancy in the retirement homes attached to two LTC communities, and over-spending in nursing envelopes in certain communities which is expected to be corrected by the end of the year. Acquisitions contributed $1.2 million and $2.0 million in NOI for

the three and six months ended June 30, 2007, respectively. Weighted average occupancies for the six months ended June 30, 2007 increased to 97.3% compared to 96.7% last year.

"We were pleased to have closed the acquisition of the Regency portfolio at the end of the second quarter," commented Brent Binions, Senior Executive Vice President, responsible for the REIT's Long-Term Care operations. "This high quality portfolio of eight new Class-A residences and management contracts for six other communities will significantly add to our LTC performance going forward."

Chartwell's growing US operations contributed approximately $22.1 million to second quarter 2007 net operating income and $38.7 million for the six months ended June 30, 2007. Same property net operating income in the US portfolio declined 6.0% in the second quarter of 2007 and 1.8% in the six months ended June 30, 2007 primarily due to deferral of community fee revenue and higher realty tax and contract services costs at some of the communities. Weighted average occupancies rose to 92.3% in the quarter from 91.5% last year.

G&A expenses as a percentage of revenue improved further to 3.3% in the quarter from 5.2% last year, and to 3.4% for the first six months of 2007 compared to 4.9% for the same period last year. Despite the increased size and scale of Chartwell and its property portfolio, G&A expenses in absolute dollars has been flat for the past four quarters after excluding due diligence expenses for acquisitions not completed and advisory services and other cost related to the Board of Trustee's Special Committee aggregating $0.7 million in the second quarter and $1.3 million for the first six months of 2007.

Going forward, management believes that while G&A costs may increase incrementally as the portfolio continues to grow, G&A expenses as a percentage of revenue is expected to remain at current levels.

Funds from Operations ("FFO") were $10.8 million ($0.11 per diluted Unit) and $24.7 million ($0.28 per diluted Unit) in the second quarter and first six months of 2007 respectively, compared to $14.4 million ($0.23 per diluted Unit) and $28.9 million ($0.48 per dilute Unit) respectively, in the same periods last year. FFO and FFO per Unit in 2007 have been impacted by a number of factors in 2007, including:

- Unrealized foreign exchange losses of approximately $5.3 million ($0.06 per Unit) and approximately $5.9 million ($0.07 per Unit) for the three and six months ended June 30, 2007 respectively related to cross-border US dollar denominated loans used to finance the REIT's US operations.

- Straight line adjustments of lease expenses of approximately $2.0 million ($0.02 per Unit) in the quarter and approximately $4.4 million ($0.05 per Unit) in the first half of 2007.

- Regulatory delays in the closing of certain acquisitions, and the dilution caused by units issued to finance these

acquisitions, resulted in approximately $0.01 per Unit and approximately $0.02 per Unit declines in FFO for the three and six months ended June 30, 2007 respectively.

- Costs of approximately $0.7 million ($0.01 per Unit) and approximately $1.3 million ($0.01 per Unit) for the second quarter and first six months of the year respectively for due diligence expenses for acquisitions not completed and advisory services and other costs related to the Board of Trustees' Special Committees.

- The deferral of community fee revenue of approximately $0.9 million ($0.01 per Unit) and approximately $2.0 million ($0.02 per Unit) in the second quarter and first six months of 2007 respectively.

"Excluding the impact of the above items, FFO per Unit would have been approximately $0.22 per Unit in the quarter and approximately $0.45 per Unit year to date." commented Vlad Volodarski, CFO of the REIT.

"Further, on a pro-forma basis taking into account full quarter contributions from the large Regency Care and Merrill Gardens acquisitions, FFO per Unit would have been approximately $0.24 for this quarter and $0.47 for the six months ended June 30, 2007," added Stephen Suske, Vice Chair and Co-CEO. "In addition, we have $160 million in cash at the end of the second quarter on our balance sheet ready to be deployed."

Beginning with the first quarter of 2007, Chartwell is reporting Adjusted Funds from Operations ("AFFO"), which is FFO adjusted for straight line adjustments to lease expense, the amortization of below-market leases, the principal portion of capital subsidies receivable, amounts received under net operating income guarantees, the amortization of debt mark-to-market adjustments and deferred financing costs, and capital maintenance reserves.

For the three months ended June 30, 2007, AFFO was $16.1 million ($0.17 per diluted Unit) compared to $13.6 million ($0.21 per diluted Unit) last year. For the six months ended June 30, 2007, AFFO was $31.1 million ($0.35 per diluted Unit) compared to $26.4 million ($0.44 per diluted Unit) for the same period last year. AFFO in 2007 has been impacted by delays in the completion of certain acquisitions, the write-off of certain acquisition costs, costs related to the Board special committees and the deferral of community fee revenue received from the residents as described above.

Distributable Income ("DI") in the second quarter of 2007 was $19.0 million ($0.20 per diluted Unit) compared to $16.3 million ($0.25 per diluted Unit) last year. For the six months ended June 30, 2007, DI was $36.9 million ($0.41 per diluted Unit) compared to $30.2 million ($0.50 per diluted Unit) last year. Chartwell declared cash distributions of $26.2 million ($0.27 per diluted Unit) in the second quarter of 2007 and $48.2 million for the six months ended June 30, 2007. The net loss in the second quarter of 2007 was $31.1 million ($0.358 per diluted Unit) compared to $3.2 million ($0.057 per diluted Unit) last year. For the six months ended June 30, 2007, net loss was $40.3 million ($0.498 per diluted Unit) compared to $4.9 million ($0.092 per diluted Unit) last year.

"Our properties continued to perform well in the second quarter with stable occupancies and solid improvement in same property revenues. We are also very pleased to have achieved our goal to maintain our G&A expenses at these sustainable levels despite our significant growth," commented Cam Crawford, COO.

Strong Financial Position

Chartwell's balance sheet remained strong at the end of the second quarter of 2007. As at June 30, 2007, Chartwell's leverage of debt to the gross book value of its assets was 51.3%. At its Annual Meeting held on May 22, 2007 Unitholders approved a change in the definition of indebtedness and the gross book value of assets to exclude deferred consideration related to the acquisition of properties. If leverage were to be increased to the maximum 60% (65% including convertible debentures) allowed under its Declaration of Trust, Chartwell would have the capacity to acquire approximately $574 million of additional assets without the need for further equity financing. The average term to maturity for its mortgage portfolio was 9.3 years, up from 7.0 years at the end of 2006, with a weighted average interest rate of 5.5%.

"Our balance sheet has never been stronger," commented Mr. Suske. "In the current uncertain interest rate environment, we are also pleased to have enhanced our risk profile with the extension of the average term to maturity for our mortgage portfolio to 9.3 years after completing the Merrill Gardens and Regency Care transactions, both of which are financed with long-term debt."

Growth to Continue

During the second quarter of 2007 Chartwell acquired interests in 33 seniors housing communities containing 3,918 suites for an aggregate purchase price of approximately $542.3 million (excluding assets held for sale). For the first six months of 2007, Chartwell has acquired interests in 69 seniors housing communities containing 10,853 suites for an aggregate purchase price of approximately $846 million (excluding assets held for sale). In addition, it extended mezzanine loans to its development partners of approximately $9.7 million.

Subsequent to the end of the second quarter, Chartwell acquired interests in 2 seniors housing communities through transactions with a total value of approximately $35.0 million, and advanced mezzanine loans of approximately $2.7 million.

"With the closing of the Merrill Gardens transaction in April, Chartwell became the third largest owner and operator of seniors housing communities in North America. As we continue to build our US portfolio, and expand our presence in key Canadian regions, we are confident we will capitalize on the strong infrastructure platforms we have built in both markets to generate enhanced returns and operating margins over the long term," commented

Robert Ezer, President and Co-CEO.

"Looking ahead, we are confident we will continue to grow our portfolio through the balance of 2007, and are on target to reach $1 billion in new acquisitions for the full year," Mr. Ezer concluded.

Financial Highlights:	Three Months		Six Months	
Period Ended June 30, ($,000 except per unit amounts)	2007	2006	2007	2006
Revenues:				
Property Revenue	147,515	74,554	276,383	140,242
Mezzanine Loan Interest	4,051	2,479	7,408	4,787
Fees	1,485	3,428	5,351	7,402
Other Income	3,248	1,427	5,499	2,626
Total Revenues	156,299	81,888	294,641	155,057
Net Loss	(31,153)	(3,244)	(40,283)	(4,887)
Net Loss per Unit (diluted)	(0.358)	(0.057)	(0.498)	(0.092)
Funds from Operations(1)	10,785	14,428	24,699	28,940
Funds from Operations per Unit (diluted)(1)	$0.11	$0.23	$0.28	$0.48
Funds from Operations Payout Ratio(1)	243%	119%	195%	111%
Adjusted Funds from Operations	16,123	13,596	31,128	26,443
Adjusted Funds from Operations per Unit (diluted)	$0.17	$0.21	$0.35	$0.44
Adjusted Funds from Operations Payout Ratio	162%	127%	155%	121%
Distributable Income	18,977	16,271	36,894	30,160
Distributable Income per Unit - diluted	$0.20	$0.25	$0.41	$0.50
Distributions declared	26,186	17,213	48,181	31,996
Distributions declared per Unit - diluted	$0.27	$0.27	$0.53	$0.53
Weighted Avg Units Outstanding (diluted)	95,904,000	63,881,000	89,654,000	60,031,000

(1)2007 includes effect of unrealized foreign exchange losses, straight line lease expense, income tax provisions and other one-time costs not applicable in 2006

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.

Chartwell is a growth-oriented investment trust 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 grow internally and through accretive acquisitions. Chartwell also has an exclusive option to purchase stabilized communities from Spectrum, Canada's largest and fastest growing 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**.

Distributable Income, 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 and ability to earn and distribute cash returns to Unitholders. Distributable Income, 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 and reconciliation of Distributable Income and Funds from Operations to GAAP measures are contained in Chartwell's Management Discussion and Analysis, available at **www.sedar.com**.

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