NEWS RELEASE

Chartwell Announces Strong Second Quarter 2010 Results

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MISSISSAUGA, ONTARIO -- (MARKET WIRE) -- 08/12/10 -- Chartwell Seniors Housing Real Estate Investment Trust (TSX: CSH.UN) announced today results for the three and six months ended June 30, 2010.

SECOND QUARTER 2010 HIGHLIGHTS:

- Same property NOI increased 3.1%
- Occupancies in Western Canada retirement portfolio improved to 90.0%
- Completed acquisitions in Ontario and U.S.
- Exited a non-strategic joint venture by selling one property and committed to divest two non-core assets
- Two development projects commenced
- Mortgage refinancing programs on track, generating substantial interest savings

Strong Operating Performance

Same property net operating income ("NOI") increased $1.2 million or 3.1% for the quarter ended June 30, 2010 compared to the same period last year. For the first six months of 2010, same property NOI increased $3.2 million or 4.2% compared to the same period last year. The implementation of rental rate increases on renewal and turnover, increased ancillary revenues, reduced utility expenses and targeted cost reductions were partially offset by a slight decrease in occupancy in the period. Same property occupancy was 90.0% in the second quarter of 2010,

a 0.1 percentage point decline from the second quarter of last year.

The Canadian retirement portfolio same property NOI increased $1.2 million or 4.8% and $3.2 million or 6.6% for the three and six months ended June 30, 2010 respectively, compared to the same periods last year. The improved NOI is primarily attributable to regular annual rental rate increases, ancillary revenue increases and savings in utility costs and other operating expenses. Same property occupancies in Western Canada improved to 90.0% in the second quarter of 2010 from 89.1% in the first quarter of 2010, but lower than the 92.6% in the second quarter of last year. Same property occupancies in Ontario were 92.0% in the second quarter of 2010 compared to 92.8% in the first quarter of 2010 and in line with the second quarter of last year. Customer traffic and expected future arrivals maintained positive trends and management is optimistic that this improvement will result in improved occupancies through the remainder of 2010. In addition, the spillover effect from significant waiting lists for long-term care beds in Ontario should continue supporting the increased demand for retirement suites. Same property average occupancy in the Quebec portfolio was 85.8% in the second quarter of 2010, unchanged from the first quarter of 2010 and 1.4 percentage points up from 84.4% in the second quarter of last year.

The Canadian LTC portfolio continued to perform well with same property NOI increasing 15.6% for the quarter ended June 30, 2010 and 10.5% for the first six months of 2010 compared to the same periods last year, due primarily to additional government funding for accommodation in Ontario. Occupancies in the second quarter of 2010 were at 98.1%, consistent with the first quarter of 2010 and 98.2% in the second quarter of last year.

U.S. same property NOI decreased 4.1% and 2.7% for the three and six months ended June 30, 2010 respectively, compared to the same periods last year, due primarily to a decline in occupancies, partially offset by annual rental rate increases. U.S. same property occupancies were 88.0% in the second quarter of 2010, down from 88.8% in the first quarter of 2010 and 88.9% in the second quarter last year. Management remains cautiously optimistic that recent increases in inquiries, tours and sales across the U.S. portfolio, combined with improvements in the U.S. housing market and the completion of certain asset repositioning projects, will result in occupancy growth over the longer term.

For the second quarter of 2010, general, administrative and trust ("G&A") expenses, excluding severance and other costs, decreased to 2.9% of revenues compared to 3.3% in the second quarter last year. For the first six months of 2010, G&A expenses represented 2.8% of revenues compared to 3.0% of revenues for the same period last year.

Income from Canadian Management Operations was $0.4 million for the quarter ended June 30, 2010 compared to $0.5 million for the same period last year. For the first six months of 2010, the Canadian Management Operations generated $0.9 million compared to $1.6 million for the same period last year. The decline was due to management's stated strategy to reduce its emphasis on development and operations management activities for third parties and to wind down its relationship with Spectrum Seniors Holdings LP.

Mezzanine loan interest income also decreased to $1.3 million in the second quarter of 2010 compared to $2.8 million for the second quarter of last year due to ongoing efforts to reduce exposure to mezzanine loans and as interest revenue from Spectrum and Melior is only recognized when payments are received. For the first six months of 2010, mezzanine loan interest income was $2.8 million compared to $5.3 million for the same period last year.

"We continued to generate solid operating performance across the majority of our platforms in the second quarter," commented Brent Binions, President and CEO. "Looking ahead, we are optimistic these positive same property NOI trends will continue, augmented by contributions from our internal growth programs and substantial interest cost savings arising from our refinancing initiatives."

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

AFFO in the second quarter of 2010 rose 19.8% to $21.6 million ($0.17 per unit diluted) compared to $18.0 million ($0.18 per unit diluted) in the second quarter of last year, excluding an impairment provision for mezzanine loans and accounts receivable recorded in the second quarter of last year. For the first six months of 2010, AFFO increased to $41.8 million ($0.32 per unit diluted) compared to $39.9 million ($0.39 per unit diluted) for the same period last year not including the above mentioned impairment provision. Incremental contributions from the property portfolio, due to same property NOI growth and acquisitions, combined with reduced G&A expenses, were partially offset by lower mezzanine loan interest income and management fee income as discussed above. Per unit amounts were also impacted by the 27% increase in the weighted average number of units outstanding in the current year.

In the second quarter of 2010, and excluding the impairment provision mentioned above, FFO increased to $25.7 million ($0.20 per unit diluted) from $14.0 million ($0.14 per unit diluted) in the second quarter of last year. For the first six months of 2010, FFO increased to $45.2 million ($0.35 per unit diluted) compared to $33.3 million ($0.33 per unit diluted), not including the impairment provision for the same period last year. The increases were primarily due to increased contribution from the property portfolio and reduced G&A expenses, partially offset by lower mezzanine loan interest income and management fee income. Per unit amounts were impacted by the increase in the weighted average number of units outstanding.

Strong Financial Position

As at June 30, 2010, the debt to gross book value ratio was 55.3% (61.4% including convertible debentures). The average term to maturity of the mortgage portfolio was 7.6 years with a contractual weighted average interest rate of 5.46%. As of June 30, 2010, including cash on hand and available credit facilities, financing capacity was $77.0 million.

As at June 30, 2010, 65% of the Canadian mortgage debt portfolio was CMHC-insured. Maturing debt through to 2012 relates exclusively to the Canadian property portfolio; there are no maturities of U.S. debt until 2013.

During the second quarter of 2010, Chartwell refinanced a $1.7 million mortgage on one property with a 3.5-year mortgage bearing interest at 3.75% compared to the 4.30% rate on the maturing debt. Subsequent to June 30, 2010, Chartwell refinanced a CMHC-insured mortgage on one of its properties in the amount of $10.0 million with a 10-year mortgage bearing interest at 4.33%, a significant savings over the 5.00% rate on the maturing debt. Chartwell also renewed a $3.9 million CMHC-insured mortgage on one of its properties with a 15-year mortgage bearing interest at 4.40%, and replaced a $4.6 million CMBS mortgage on another property with a CMHC-insured, 10-year mortgage bearing interest at 3.94%. Management anticipates renewing or replacing the remainder of 2010 maturing mortgages in due course.

Completed Property Acquisitions in Ontario and U.S.

During the three months ended June 30, 2010, Chartwell completed the previously announced acquisitions of ING Real Estate's 50% interest in the Meridian and Regency portfolios as well as Spectrum's 50% interest in Valley Vista Retirement Residence.

The Regency portfolio is comprised of eight LTC communities consisting of 1,384 Class A beds situated in southern Ontario. The purchase price was $79.5 million (before closing costs) and was settled through the assumption of the existing mortgages payable of approximately $68.0 million bearing interest at 7.41% and a weighted average term to maturity of 17.9 years, with the remaining balance, subject to working capital adjustments, being paid in cash.

The Meridian Portfolio consists of 1,045 suites in five properties in the Denver, Colorado area and one property in Temple, Texas. Chartwell's U.S. joint venture property management company, Horizon Bay Chartwell ("HBC"), will continue managing these properties. The purchase price was U.S.$110.5 million (before closing costs), and was settled through the assumption of the existing mortgages of approximately U.S.$74.6 million bearing interest at 5.41% and maturing in September 2015, settlements of outstanding amounts due from ING of U.S.$6.0 million, with the remaining balance, subject to working capital adjustments, being paid in cash.

Valley Vista is a 139-suite residence located in Vaughan, Ontario. The purchase price was $17.4 million and was settled by the assumption of the existing mortgage payable of $15.1 million. The existing mortgage is a demand loan maturing on December 31, 2012 which bears interest at prime plus 1.50%, subject to the minimum rate of 4%. The remaining portion of the purchase price, subject to working capital adjustments and settlement of certain amounts owing to Chartwell, was paid in cash.

Asset Management Program Continues

During the second quarter of 2010, Chartwell invoked its buy sell provision under a joint venture agreement on one 127-suite retirement community in British Columbia. Chartwell's joint venture partner matched the purchase offer and as a result, Chartwell disposed of its 50% interest in this community for $15.3 million. The purchaser assumed the existing mortgage in the amount of $12.3 million with the net proceeds of approximately $3.0 million paid to Chartwell in cash. As a result of this transaction, Chartwell recorded a gain for accounting purposes of $4.4 million.

Also during the second quarter of 2010, Chartwell committed to a plan to divest two of its Canadian retirement communities which no longer fit into Chartwell's long-term operating strategy. The carrying value of these properties have been reduced to the estimated fair value less cost to sell, and an asset impairment provision of $6.1 million has been recorded in the consolidated financial statements. Management expects to complete these dispositions during 2010.

Amendments to Spectrum Settlement Agreement

During the second quarter of 2010, Chartwell agreed to extend the term of its settlement agreement with Spectrum from the original date of August 16, 2010 to December 31, 2010 to allow Spectrum more time to complete its orderly wind down.

Internal Growth Programs Commence

Subsequent to June 30, 2010, Chartwell commenced development of two retirement residences adjacent to two existing LTC properties in Kitchener and Oshawa, Ontario. These developments will add 215 retirement suites at a total development cost of approximately $50.0 million and are expected to be completed in the first quarter of 2012.

In addition, during the second half of 2010, Chartwell expects to commence the redevelopment of 128 LTC beds in one community in British Columbia. The total development cost is anticipated to be approximately $26.6 million with the expected completion in the second quarter of 2012.

Financial Highlights

Period ending June 30, Three months Six months

($000s, except number of units and per unit amounts)	2010	2009	2010	2009
Total Revenues (1)	$ 172,845	$ 164,634	$ 336,029	$ 332,010
Net Income/(Loss)	1,616	(41,114)	(6,393)	(55,059)
Net Income/(Loss) per unit (diluted)	$ 0.01	($ 0.42)	($ 0.05)	($ 0.57)
Funds from Operations (2)	25,712	13,994	45,198	33,303
Funds from Operations per unit (diluted) (2)	$ 0.20	$ 0.14	$ 0.35	$ 0.33
Adjusted Funds from Operations (2)	21,596	18,029	41,832	39,937
Adjusted Funds from Operations per unit (diluted) (2)	$ 0.17	$ 0.18	$ 0.32	$ 0.39
Distributions declared	17,558	18,693	35,095	37,314
Distributions declared per unit	$ 0.14	$ 0.19	$ 0.27	$ 0.37
Weighted average number of units outstanding (diluted)	130,553,436	102,414,129	130,464,351	102,234,704

(1) Excludes discontinued operations

(2) Q2 2009 and 2009 YTD amounts exclude the provision for impairment of mezzanine loans and accounts receivable of $30.7 million.

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 Friday, August 13, 2010 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 167956#. 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 ("ISL") through assisted living ("AL") to long-term care ("LTC"). 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**.

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 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.

Funds from Operation ("FFO"), Adjusted Funds from Operations ("AFFO") and Net Operating Income ("NOI") 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. FFO, AFFO and NOI as computed by Chartwell may differ from similar computations as reported by other issuers and, accordingly, may not be comparable to those reported by such issuers. Chartwell's Q2, 2010 MD&A contains a reconciliation of Net Income/Loss to FFO and the calculation of AFFO for the three and six months periods ended June 30, 2010 and 2009. Detailed descriptions of these terms are contained in Chartwell's 2009 MD&A, available at **www.sedar.com**.

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