NEWS RELEASE

Chartwell REIT Announces First Quarter 2005 Results

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MISSISSAUGA, ONTARIO--(CCNMatthews - May 12, 2005) - Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) announced today results for the three months ended March 31, 2005.

FIRST QUARTER HIGHLIGHTS:

- Revenues up 87% from accretive acquisitions, increased mezzanine financing and higher third-party management fees

- Distributable income more than doubles

- Funds from operations rise 63%

- Owned property portfolio increased 84% to 7,130 resident suites

- Accelerated growth through property development program

Through 2004 and the first quarter of 2005 Chartwell invested approximately $398 million in the acquisition of interests in 37 facilities totaling 4,414 suites, including the first purchase of a new property developed and leased by Spectrum Seniors Housing Development LP, Chartwell's property development partner. As a result of these acquisitions, Chartwell's portfolio of owned seniors housing facilities as of March 31, 2005 increased 84% to 7,130 suites in 73 facilities compared to the same time last year. Chartwell's owned portfolio contributed approximately 92.1% of total revenues in the first quarter of 2005. Including managed suites and suites under development, Chartwell's property portfolio increased 21.4% to 14,084 suites in 130 facilities compared to the end of last year's first quarter.

As of the end of the first quarter of 2005, Chartwell had advanced $51.7 million in mezzanine loans to its development partners, generating interest revenue as well as development, management and other fees. Mezzanine loan interest contributed 4.0% of the REIT's first quarter 2005 revenue, while management fees contributed 3.7% of total revenues. Once completed and fully stabilized, the future acquisition of interests in these 30 new properties will further enhance the overall quality and average age of Chartwell's portfolio.

As a result of Chartwell's significant growth over the last twelve months, consolidated revenues for the three months ended March 31, 2005 rose to $45.0 million from $24.1 million last year. Earnings before interest, taxes, depreciation and amortization (EBITDA) were $13.5 million in the period compared to $7.4 million last year.

Distributable income increased to $9.7 million or $0.26 per fully diluted unit compared to $4.5 million or $0.16 per fully diluted unit in the prior year period. Distributions were declared and paid during the period of $10.3 million or $0.27 per unit compared to $7.3 million or $0.25 per unit last year. Effective with the March 2005 payment, monthly cash distributions were increased by 4% to $0.8875 per unit, Chartwell's first increase in monthly cash distributions since its Initial Public Offering in November 2003.

Funds from operations in the first quarter of 2005 were $7.8 million or $0.21 per fully diluted unit compared to $4.8 million or $0.17 per fully diluted unit last year. Chartwell's determination of funds from operations is in accordance with RealPAC's recommendations.

Through the first quarter of 2005 Chartwell issued approximately 7.2 million units, of which 6.25 million related to a successful public offering completed on March 30. Not including the cash distributions paid on the units issued on March 30, 2005, Chartwell's pay-out ratio would have been approximately 100%, well below the 163% ratio in the first quarter of 2004. As at March 31, 2005 there were approximately 44.3 million units issued and outstanding (including 0.9 million LTIP Units under subscription and 5.3 million of Class B Units of Chartwell Master Care LP, a subsidiary of the REIT). The weighted average number of fully diluted units outstanding as of March 31, 2005 rose 30% to 37.4 million compared to 28.7 million last year.

Subsequent to the end of the first quarter, Chartwell acquired three seniors housing facilities for an aggregate purchase price of $41.8 million. One of the homes acquired was developed by Chartwell's partner Spectrum. In addition, the REIT advanced approximately $10.8 million in mezzanine loans to Spectrum and other parties at interest rates between 10% and 14%.

"Our growth is clearly generating significant benefits for our Unitholders as revenues and distributable income will continue to increase through the balance of 2005," commented Stephen Suske, Vice Chair and President. "However, we are now seeing a compression in capitalization rates in our sector due to increased competition for properties

that is resulting in increased acquisition costs. Nevertheless, we will continue to acquire well-located and accretive properties going forward while our strong and growing pipeline of development properties will generate solid and sustainable growth through 2005 and beyond."

"We continue to maintain our high occupancies at 93% as we realize cost synergies and economies of scale from our expanding property portfolio," added Robert Ezer, Chief Executive Officer. "The ongoing building of our brand as Canada's most respected name in seniors housing will also result in enhanced performance going forward."

"We are confident that the REIT will generate sufficient distributable cash in 2005 to maintain our current level of monthly cash distributions for the balance of year," Mr. Suske concluded.

Primarily due to the increase in interest, depreciation and amortization expenses resulting from Chartwell's growth, the REIT generated a net loss of $3.3 million or $0.09 per unit for the three months ended March 31, 2005 compared to $0.8 million or $0.03 per unit last year. During the first quarter of 2005 the REIT wrote down the carrying value of an underperforming property by $0.8 million.

Financial Highlights:

Three Months Ended March 31, ($,000 except per unit amounts)	2005	2004 (restated)
Revenues	44,978	24,093
Net income (loss)	(3,337)	(793)
Net income (loss) per Unit (diluted)	$(0.09)	$(0.03)
Funds from Operations	7,791	4,795
Funds from Operations per Unit (diluted)	$0.21	$0.17
Distributable Income	9,693	4,472
Distributable Income per Unit - diluted	$0.26	$0.16
Distributions declared	10,250	7,306
Distributions per unit - diluted	$0.27	$0.25
Weighted Avg Units Outstanding (diluted)	37,405	28,718

Chartwell REIT is a growth-oriented investment trust owning and managing a complete spectrum of seniors housing properties in selected centres across Canada. Focused on the Canadian marketplace, Chartwell REIT 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, Canada's largest and fastest growing developer of seniors housing.

To view the First Quarter 2005 Financial Results, including Financial Statements and Management's Discussion and Analysis, please visit our website at **www.chartwellreit.ca**.

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 (which is computed in accordance with the REIT's constating documents, as amended, and is generally defined as net earnings before depreciation and amortization, future income tax expense or credits, gains or losses on asset dispositions, amortization of discounts or premiums on long-term debt and deferred financing costs, interest on convertible debentures, up to 100% of the principal portion of capital subsidy receivable from Ontario Ministry of Health and Long-Term Care for long-term care facilities, amounts received as contingent consideration for Operating Subsidies that are not included in Net Income under GAAP and fees that are contractually receivable in the reporting period and are not included in Net Income under GAAP) is not a measure recognized under GAAP and does not have a standardized meaning prescribed by GAAP. Distributable Income is presented because management believes this non-GAAP measure is a relevant measure of the ability of the REIT to earn and distribute cash returns to Unitholders. Distributable Income as computed by the REIT may differ from similar computations as reported by other organizations and, accordingly, may not be comparable to distributable income as reported by such organizations. Please refer to the reconciliation of distributable income to cash flow from operating activities below:

Thee Months Ended March 31,	2005	2004

($ 000's)		
Cash flow from operating activities	8,112	3,164
Add (Subtract):		
Change in non-cash operating items	1,668	1,518
Amortization of debt discounts	(48)	(24)
Amortization of debt premiums, net	(389)	(162)
Principal portion of capital funding received	20	12
Amounts received under Net Operating Income Guarantees	307	-
Income from long-term investment net of distributions	23	(36)
Distributable Income	9,693	4,472

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