NEWS RELEASE

Chartwell REIT Announces Significant Growth in Second Quarter

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B.C. and U.S. Acquisitions to Accelerate Growth Profile

Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) announced today results for the three and six months ended June 30, 2005.

SECOND QUARTER HIGHLIGHTS:

- Revenues rise 72% from Q2, 2004 from accretive acquisitions, increased mezzanine financing and higher third-party management fees

- Same property revenues up 4.4% in quarter and 7.0% through first six months of 2005 due to higher occupancies, new services and annual rent increases

- Distributable Income increased by 93% and Funds from Operations increased by 109% from Q2, 2004

- Owned property portfolio increased 51% to 7,643 resident suites from Q2, 2004

- Acquisition of CPAC properties transforms REIT into British Columbia's largest owner and operator of seniors residential facilities

Through the first six months of 2005 Chartwell invested approximately $93 million in the acquisition of interests in

10 seniors residential facilities totaling 858 suites, including the first purchases of three new properties developed 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 June 30, 2005 comprised 7,643 suites in 77 facilities an increase of 51% compared to the same time last year. Chartwell's owned portfolio contributed approximately 91% of total revenues in the second quarter and first six months of 2005. Including managed suites and suites under development, Chartwell's property portfolio increased 18% to 14,192 suites in 131 facilities compared to the end of last year's second quarter.

As of the end of the second quarter of 2005, Chartwell had $58.0 million in mezzanine loans receivable from its development partners, generating interest revenue as well as development, management and other fees. Mezzanine loan interest contributed 3.9% of the REIT's revenue in the quarter and first six months of the year, while management fees contributed 4.6% and 4.2% respectively. Once completed and fully stabilized, the future acquisition of interests in these 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 June 30, 2005 rose 72% to $50.9 million from $29.6 million last year. For the first six months of 2005, revenues increased 78% as compared to the same period of last year. Same property revenues rose 4.4% and 7.0% in the second quarter and first six months of 2005 respectively, the result of improved occupancies, fees for the provision of new services to residents, and the positive impact of annual rent increases. The same property portfolio consists of 38 retirement homes and 7 long-term care facilities owned for the full second quarter of both 2004 and 2005.

Earnings before interest, taxes, depreciation and amortization (EBITDA) were $16.6 million in the second quarter compared to $8.3 million last year, and $30.1 million for the six months ended June 30, 2005 compared to $15.7 million last year.

Distributable income increased to $11.1 million or $0.25 per fully diluted unit in the second quarter compared to $5.7 million or $0.20 per fully diluted unit last year. Distributions declared during the quarter were $11.8 million or $0.27 per unit. Effective with the March 2005 payment, monthly cash distributions were increased by 4% to $0.8875 per unit. In addition, the weighted average number of units outstanding increased by 52.5%. Despite these factors, Chartwell's payout ratio improved to 106% in the quarter from 130% last year. For the six months ended June 30, 2005 distributable income rose to $20.8 million or $0.51 per unit. Distributions declared were $22.0 million or $0.54 per unit, resulting in a much improved payout ratio of 106% compared to 146% last year. The weighted average number of Units outstanding rose 41.4% in the six month period.

Funds from operations ("FFO") in the second quarter of 2005 were $10.9 million or $0.25 per fully diluted unit

compared to $5.2 million or $0.18 per fully diluted unit last year. For the six months ended June 30, 2005 FFO rose to $18.7 million or $0.46 per unit from $10.0 million or $0.35 per unit last year. Chartwell's determination of funds from operations is in accordance with RealPAC's recommendations.

Subsequent to the end of the second quarter, Chartwell completed its takeover and acquisition of CPAC (Care) Holdings Ltd. of Vancouver, British Columbia. With this transaction, Chartwell acquired interests in 977 suites in six facilities in British Columbia, and became the largest owner and operator of seniors residential facilities in the Province. The acquisition also provides Chartwell with an immediate presence in the B.C. licensed care sector and the opportunity to compete effectively in expanding its presence in this high-growth market through future proposal calls. British Columbia now accounts for approximately 19% of Chartwell's total portfolio, further enhancing the REIT's geographic diversification.

On July 19, 2005 Chartwell announced that, through a newly established US subsidiary, it has formed a joint venture with ING Real Estate Australia Pty Limited, a subsidiary of ING Groep N.V. of the Netherlands, to acquire a portfolio of high quality retirement residences in the United States in Colorado and Texas totaling 1,043 suites. Chartwell and ING will each acquire a 50% interest in the portfolio. Chartwell also announced that it was forming a 50% joint venture seniors housing management entity with Horizon Bay Management LLC, a large and respected owner and operator of seniors residential facilities across the United States. The new entity will act as the property manager for Chartwell's new US portfolio and other seniors' residences in the US that Chartwell may acquire in the future.

With the completion of this transaction, anticipated in late August 2005, Chartwell will extend its reach into the strong and growing US seniors housing market, align itself with one of that country's most respected and proven seniors housing management teams, and establish a relationship with an equity partner with global access to deep and competitive sources of capital.

Following the completion of the US acquisition, Chartwell's total portfolio, including managed properties and those under development, will increase to 16,166 suites in 143 facilities. Chartwell's new US properties will account for approximately 6% of the total portfolio, further enhancing the REIT's geographic diversification. Approximately 69% of the total portfolio will be in the targeted independent living/light care sector of the business.

On August 11, 2005 Chartwell issued 10,200,000 Trust Units under a bought deal basis for total gross proceeds of $155.0 million. The proceeds will be used to fund acquisitions, joint ventures, mezzanine financing and to repay amounts owing under its operating credit facility, including approximately $50 million for the US acquisition discussed above.

"The completion of our acquisition in British Columbia, and our first steps into the thriving US seniors housing markets, bring us close to achieving our acquisition objective for 2005," commented Stephen Suske, Vice Chair and

President. "More importantly, both acquisitions will be immediately accretive to our distributable income, and will contribute to further improvement in our payout ratio through the balance of the year,"

"We are continuing to build our brand as Canada's most respected name in seniors housing, and look forward to extending our tradition of care and service to our new residents in British Columbia and the United States," added Robert Ezer, Chief Executive Officer.

"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.

Financial Highlights

Period Ended June 30,	Three Months		Six Months	
(in $,000 except per Unit amounts)	2005	2004	2005	2004
Revenues	50,867	29,590	95,845	53,683
Net loss	(66)	(2,580)	(3,403)	(3,372)
Net loss per Unit (basic and diluted)	($0.002)	($0.102)	($0.097)	($0.133)
Funds from Operations	10,928	5,236	18,719	10,034
Funds from Operations per Unit (diluted)	$0.246	$0.180	$0.457	$0.347
Distributable Income	11,078	5,729	20,771	10,201
Distributable Income per Unit - diluted	$0.249	$0.197	$0.507	$0.353
Distributions declared	11,772	7,467	22,023	14,853
Distributions per unit - diluted	$0.265	$0.256	$0.538	$0.513
Weighted Avg Units Outstanding (diluted)	44,415	29,118	40,930	28,927

Chartwell REIT is a growth-oriented investment trust owning and managing a complete spectrum of seniors housing properties in selected centres across Canada. 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 Second 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** including a list of the REIT's owned property portfolio which is in the "Investor Relations" section and can be accessed by clicking the "Property List" tab.

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 and 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; plus 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 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:

Period Ended June 30,	Three Months		Six Months	
(in $,000 except per Unit amounts)	2005	2004	2005	2004
Cash flow from operating activities	12,469	3,472	21,752	6,465
Add (Subtract):				
Change in non-cash operating items	(1,662)	1,600	(3,190)	3,289
Amortization of debt discounts	(55)	(40)	(103)	(64)
Amortization of debt premiums, net	(311)	(184)	(700)	(346)
Option benefit granted under LTIP	-	(18)	-	(18)
Principal portion of capital funding received	65	19	85	31
Amounts received under Net Operating Income Guarantees	463	871	770	871
Contractually receivable management fees	81	-	2,106	-
Income from long-term investment net of distributions	28	9	51	(27)
Distributable Income	11,078	5,729	20,771	10,201

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