NEWS RELEASE

Chartwell REIT Announces Strong Results And Significant Growth In 2005

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MISSISSAUGA, ONTARIO--(CCNMatthews - Feb. 28, 2006) - Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) announced today results for the three months and year ended December 31, 2005.

2005 HIGHLIGHTS:

- Distributable Income, Funds from Operations rise 63% and 45% respectively

- Distributable Income per unit increases 11% to $1.07 per unit

- Annualized cash distributions per unit increased 4% in March

- Significant portfolio growth generates 63% increase in revenues

- Invested over $480 million in acquisitions and mezzanine financings

- Owned property portfolio increases 50% to 10,250 resident suites

- Development pipeline increases to over 6,150 suites in 43 facilities

- Strengthens presence in key Canadian regions, enters US market

- Same property revenues up 5% due to higher occupancies, new services and rent increases

- Retirement Home occupancies increased from 92% to 93% year over year

A Year of Significant Growth

Chartwell invested approximately $435 million during 2005 in the acquisition of interests in 28 seniors residential facilities totaling 3,472 suites, strengthening its presence in key growth markets across Canada. Included in this total is the acquisition of a 50% interest in 1,508 suites in the United States with a joint venture financial partner. The REIT also acquired a 50% interest in a joint venture property management company to manage its US portfolio.

With this significant growth, Chartwell's total portfolio, including properties owned, managed or under development, grew 46% to 19,679 suites in 165 facilities as of December 31, 2005 compared to the prior year. Chartwell's owned portfolio rose 50% in 2005 to 10,250 suites in 95 facilities and contributed 91% of total revenues in 2005. Approximately 15% of the total owned portfolio is now located in the United States. In addition, approximately 73% of the total portfolio was in the higher-margin independent living and light care sectors of the business, Chartwell's main focus.

During 2005 Chartwell advanced mezzanine loans of $45 million, and as of December 31, 2005 had approximately $77.4 million in mezzanine loans receivable from Spectrum Seniors Housing Development LP and its development partners, generating interest revenue as well as development, management, financing and other fees. Mezzanine loan interest contributed 3% of the REIT's revenue in 2005 while management and financing fees contributed 4%. 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.

"2005 was a year of considerable growth for Chartwell, and we were pleased to have achieved our operating targets," commented Stephen Suske, Vice Chair and President. "We significantly increased the size and scale of our property portfolio, became the largest participant in the British Columbia seniors housing business in addition to strengthening our presence in a number of other key growth regions in Canada, and took our first steps to prudently expand into the vibrant and growing US retirement home industry."

"Looking ahead, our target in 2006 is to acquire another $625 million in properties from third parties and Spectrum, and to invest approximately $40 million in new mezzanine financings as we continue to capitalize on the highly fragmented nature of the North American seniors housing market. With a full pipeline of development projects underway and acquisition opportunities being evaluated, we are confident we can achieve this goal," Mr. Suske continued.

Strong Financial Performance

As a result of the significant growth in Chartwell's property portfolio, consolidated revenues for the year ended December 31, 2005 rose 63% to $224.6 million from $137.8 million last year. "Same property" revenues rose 5.0% in 2005 compared to the prior year, the result of improved occupancies, fees for the provision of new services to residents, and the positive impact of annual rent increases. Occupancies across the retirement portfolio increased to 93% as at December 31, 2005 compared to 92% at the end of the prior year.

Distributable income increased to $50.2 million or $1.07 per fully diluted unit in 2005 compared to $30.7 million or $0.96 per fully diluted unit last year. During 2005 Chartwell declared cash distributions of $50.5 million or $1.07 per fully diluted unit. Effective with the March 2005 payment, monthly cash distributions were increased by 4% to $0.08875 per unit, or $1.065 per Unit on an annualized basis.

The 2005 results do not include approximately $1.5 million in development and other fees charged to Spectrum in respect of services provided prior to year end. The Board of Trustees approved these fees in February 2006, and accordingly, under Generally Accepted Accounting Principles, this revenue will be recognized in the first quarter of 2006. Had these fees been included in the 2005 results as planned, distributable income would have been approximately $51.7 million or $1.10 per fully diluted unit and in line with the REIT's earlier guidance.

Additionally, the REIT's results for the year were affected by the timing of certain acquisitions completed in 2005 and delays in closing of several other acquisitions that have closed or are expected to close in the first half of 2006.

Funds from operations ("FFO") were $42.0 million or $0.89 per fully diluted unit in 2005 compared to $28.8 million or $0.90 per fully diluted unit last year. Chartwell's determination of funds from operations is in accordance with RealPAC's recommendations. Funds from operations for 2005 were negatively affected by foreign exchange losses and losses on derivative financial instruments recorded in 2005, which primarily relate to acquisitions of US properties completed in the year.

"Despite the 48% increase in the weighted average number of units outstanding during 2005, and the increase in monthly cash distributions implemented early in the year, we were pleased to have generated such strong growth in distributable income for our Unitholders in 2005," Mr. Suske stated.

"Clearly our growth initiatives, and the resulting increase in the size and scale of our portfolio, are generating significant benefits for our Unitholders" added Robert Ezer, Chief Executive Officer. "Our operating focus remains on providing the highest levels of care and service for our residents, and going forward we will continue to build our brand as Canada's most trusted name in seniors housing."

Chartwell also announced today details regarding the tax status of its cash distributions to Unitholders for 2005. Of the total distributions in 2005, 15% is to be allocated to income and 85% as a return of capital. For further details on

Chartwell's tax deferral for 2005, please refer to the REIT's website at **www.chartwellreit.ca**.

Solid Fourth Quarter Performance

Revenues increased 58% to $71.7 million for the three months ended December 31, 2005 compared to the same period last year. Distributable income rose 37% to $15.3 million or $0.27 per diluted Unit from $11.1 million or $0.30 per diluted Unit in last year's fourth quarter. If the fees deferred to the first quarter of 2006 as discussed above had been included in the fourth quarter 2005 results, distributable income would have been $16.8 million or $0.30 per unit in the period.

Funds from operations in the quarter increased 34% to $13.0 million or $0.23 per Unit from $9.7 million or $0.26 per Unit in 2004. Per Unit amounts in the fourth quarter of 2005 were impacted by the 53% increase in the weighted average number of Units outstanding in the quarter compared to the fourth quarter of 2004.

Strong Financial Position

Chartwell's balance sheet strengthened at the end of 2005 compared to the prior year-end. During the year the REIT issued approximately 16.5 million Trust Units in two successful bought deal offerings raising net proceeds of approximately $233 million. The funds were used primarily for acquisitions and to repay outstanding amounts on its credit facilities. As a result of its capital markets and financing activities, the REIT's leverage ratio improved to 51% from 54% last year. If the REIT were to increase its borrowing to the maximum allowed under its Declaration of Trust, it would have the capacity to acquire approximately $295 million in new assets as at December 31, 2005.

The mortgage portfolio remained well balanced by maturity dates at the end of 2005, while financing and re-financing activities resulted in a reduction in the weighted average interest rate to 5.21% from 5.23% at the prior year end. Management also extended the weighted average term to maturity of the mortgage portfolio to 5.8 years as at December 31, 2005 from 5.0 years last year pursuant to its strategy to reduce risk by extending the average term to maturity.

Financial Highlights

Period Ended December 31,				
(in $,000 except per Unit amounts)	Year		Three Months	
	2005	2004	2005	2004
Revenues:				
Property revenue	203,345	123,140	65,134	39,736

Mezzanine Loan Interest	7,859	4,635	2,074	1,548
Management and Financing Fees	9,148	9,415	3,507	4,014
Other	4,275	590	997	108
Total Revenues	224,627	137,780	71,712	45,406
Funds from Operations	41,956	28,847	13,038	9,696
Funds from Operations per Unit (diluted)	$0.89	$0.90	$0.23	$0.26
Distributable Income	50,191	30,744	15,302	11,145
Distributable Income per Unit - diluted	$1.07	$0.96	$0.27	$0.30
Distributions declared	50,457	32,596	14,775	9,394
Distributions per unit - diluted	$1.07	$1.02	$0.26	$0.26
Distributable Income Payout Ratio	101%	106%	97%	84%
Weighted Avg Units Outstanding (diluted)	47,083,113	31,894,180	56,062,225	36,598,309
Debt Leverage Ratio at December 31	51%	54%		

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

Chartwell REIT is a growth-oriented investment trust owning and managing a complete spectrum of seniors housing properties. It is currently the second largest participant in the Canadian seniors housing business with a growing presence in the United States. Chartwell 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, a 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 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.

FOR FURTHER INFORMATION PLEASE CONTACT:
Chartwell Seniors Housing Real Estate Investment Trust
Mr. Stephen Suske
Vice Chair and President
(905) 501-4701
Fax: (905) 501-9107
ssuske@chartwellreit.ca

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