NEWS RELEASE

Chartwell REIT Announces Strong Second Quarter 2006 Results

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MISSISSAUGA, ONTARIO--(CCNMatthews - Aug. 11, 2006) - Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) announced today results for the three and six months ended June 30, 2006.

SECOND QUARTER HIGHLIGHTS:

- Property Revenues up 70% due to accretive acquisitions, higher occupancies and rents

- Total same property revenue up 6.3%

- Total same property net operating income up 6.1%

- Same property net operating income up 6.4% for retirement homes

- Same property net operating income up 2.5% for long term care operations

- US property results continue to exceed management's expectations

- Funds from Operations ("FFO")and Distributable Income ("DI") up 32% and 47% respectively

- FFO payout ratio improves for the six month period ended June 30, 2006

- Average occupancies up to 93.0% from 91.1% last year

- Mezzanine loan and fee income up 26% and 46% respectively

Revenue Growth Continues

Total revenues increased 66% to $81.9 million for the three months ended June 30, 2006 compared to $49.3 million last year. For the first six months of 2006 total revenues rose 67% to $155.1 million from $92.7 million last year.

Property revenues were up 70% in the second quarter of 2006 due primarily to the $33.5 million contribution in revenue from the acquisition of 46 properties since January 1, 2005, and a 6.3% increase in same property revenues resulting from organic growth initiatives, increased rents, new resident services, and an increase in average occupancies to 93.0% compared to 91.1% last year. For the six months ended June 30, 2006, property revenues rose 69%, including a $58.8 million contribution from acquisitions, a 6.8% increase in same property revenues, and improved average occupancies.

Chartwell's total suite portfolio, including suites owned, under construction, or in various stages of development, increased 60% at June 30, 2006 to 22,696 suites in 182 facilities compared to the same time last year. The REIT's owned portfolio grew 77% to 13,511 suites in 113 facilities at June 30, 2006.

Mezzanine loan interest in the second quarter and first six months of 2006 increased 26% and 27% respectively compared to the same periods last year due to higher loan balances in 2006 resulting from an increased level of development activity by Spectrum, Melior and their joint venture partners.

Fee income for the three and six months ended June 30, 2006 rose 46% and 85% respectively compared to the same prior year periods due primarily to the contribution from the REIT's new agreement to provide due diligence project management services to its partner ING Real Estate Australia related to US acquisitions, and increased level of development activity by Spectrum, Melior and their joint venture partners.

"Our track record of significant growth continued in the second quarter as all aspects of our business demonstrated strong results," commented Stephen Suske, Vice Chair and President. "Including acquisitions completed subsequent to the end of the second quarter, we have added approximately $302 million in new properties to our growing portfolio. With a strong pipeline of additional acquisition opportunities, we anticipate that we will exceed our target to purchase approximately $625 million in new assets this year."

Solid Operating Performance

For Chartwell's retirement operations, same property net operating income rose 6.4% in the second quarter and 6.6% for the first six months of 2006 due primarily to higher occupancies, the introduction of new resident services,

annual rent increases, cost saving initiatives implemented over the last year, and internal growth programs. For the REIT's long-term care operations, same property net operating income rose 2.5% in the second quarter of 2006 and 3.2% for the first six months of 2006 due primarily to improved occupancies across the long-term care portfolio. Acquisitions in the retirement operations and long-term care operations contributed approximately $4.8 million and $1.2 million respectively in additional net operating income in the second quarter of 2006. For the six months ended June 30, 2006, acquisitions contributed $8.9 million and $2.5 million in the retirement home and long-term care operations respectively.

The REIT's new US operations contributed approximately $5.0 million to the second quarter net operating income and $8.1 million for the first six months of 2006. Net operating income margin for the U.S. operations was 40.9% and 41.5% for the three and six months ended June 30, 2006 respectively, ahead of management's expectation. Management expects the profit contribution from its growing base of US facilities will remain strong.

"We were pleased to have generated another quarter of solid growth in same property net operating income. Clearly, our strategies to increase cash flow from our growing property portfolio are proving effective," Mr. Suske added.

General and Administrative ("G&A") expenses have increased in 2006 due primarily to the increased size and scale of the REIT and its property portfolio, as well as higher regulatory compliance costs compared to the prior year. The REIT also expensed $0.4 million through the first six months of 2006 related to due diligence costs incurred on potential acquisitions that it decided not to pursue. Despite these costs, year-to-date G&A expenses as a percentage of revenues remained within management's targets. We anticipate that G&A expenses will continue to rise in the remainder of 2006 primarily due to ongoing efforts to ensure the REIT's compliance with regulatory requirements including Bill 198.

FFO increased 32% in the second quarter of 2006 to $14.4 million or $0.23 per diluted Unit from $10.9 million or $0.25 per diluted Unit last year. For the six months ended June 30, 2006 FFO rose 55% to $28.9 million or $0.48 per diluted Unit from $18.7 million or $0.46 per diluted Unit in the prior year. DI rose 47% in the second quarter of 2006 to $16.3 million or $0.25 per diluted Unit from $11.1 million or $0.25 per diluted Unit last year. For the six months ended June 30, 2006 DI rose 45% to $30.2 million or $0.50 per diluted Unit from $20.8 million or $0.51 per diluted Unit in the prior year. Per Unit amounts in 2006 were impacted by the 44% and 47% increase in the weighted average number of Units outstanding in the second quarter and first six months of 2006 respectively compared to the same periods last year resulting primarily from the REIT's May 2006 equity offering. FFO per unit was negatively impacted during the quarter as follows:

- Dilution resulting from timing of deployment of funds raised in May 2006 public offering of trust units ($0.01 per unit)

- One-time foreign exchange loss ($0.01 per unit)

- One-time write-off of due diligence costs and increased regulatory compliance costs ($0.01 per unit)

The REIT declared cash distributions of $17.2 million or $0.27 per diluted Unit in the second quarter and $32.0 million or $0.53 per diluted Unit in the six months ended June 30, 2006. Chartwell's FFO payout ratio was 119% in the second quarter of 2006 compared to 108% last year. For the six months ended June 30, 2006 the FFO payout ratio was 111% compared to 118% last year. The DI Payout ratio was 106% and 106% in the three and six months ended June 30, 2006 respectively compared to 106% and 106% respectively last year.

Net loss in the second quarter of 2006 increased to $3.2 million or $0.057 per diluted Unit from $0.1 million or $0.002 per diluted Unit last year. For the six months ended June 30, 2006 net loss was $4.9 million$0.092 per diluted Unit as compared to Net loss of $3.4 million or $0.097 per diluted Unit in the same period of last year

Strong Financial Position

Chartwell's balance sheet strengthened at the end the second quarter of 2006 compared to the same time last year. As at June 30, 2006 debt leverage stood at 53.5%. If leverage were increased to the maximum 60% allowed under its Declaration of Trust, Chartwell would have the capacity to acquire approximately $258 million in new assets at quarter-end. The average term to maturity for its mortgage portfolio was 6.5 years with a weighted average interest rate of 5.46%.

Growth to Continue

During the first six months of 2006 Chartwell acquired interests in 18 seniors housing facilities containing 2,855 suites for an aggregate purchase price of approximately $250.6 million. In addition, it extended mezzanine loans to its development partners of approximately $20.0 million. Subsequent to the end of the second quarter, interests in another 3 properties containing 350 suites were purchased for approximately $51.6 million, and two mezzanine loans totaling $2.6 million were extended.

"We were pleased with our results in the second quarter and first six months of 2006. As we deploy the funds from our May 2006 equity offering in our growth initiatives, and continue to capitalize on synergies and cost efficiencies resulting from the increase in the size and scale of our portfolio, we expect our accretive growth will continue through the balance of the year and going forward." Mr. Suske concluded.

Financial Highlights:

	Three Months		Six Months	
Period Ended June 30, ($,000 except per unit amounts)	2006	2005 (restated)	2006	2005 (restated)
Revenues:				
Property Revenue	74,554	43,812	140,242	82,998
Mezzanine Loan Interest	2,479	1,964	4,787	3,755
Fees	3,428	2,355	7,402	4,003
Other Income	1,427	1,184	2,626	1,906
Total Revenues	81,888	49,315	155,057	92,662
Net Loss	(3,244)	(66)	(4,887)	(3,403)
Net Loss per Unit (diluted)	$ (0.057)	$ (0.002)	$ (0.092)	$ (0.097)
Funds from Operations	14,428	10,928	28,940	18,719
Funds from Operations per Unit (diluted)	$ 0.23	$ 0.25	$ 0.48	$ 0.46
Funds from Operations Payout Ratio	119%	108%	111%	118%
Distributable Income	16,271	11,078	30,160	20,771

Distributable Income per Unit -- diluted	$ 0.25	$ 0.25	$ 0.50	$ 0.51
Distributions declared	17,213	11,773	31,996	22,023
Distributions declared per Unit -- diluted	$ 0.27	$ 0.27	$ 0.53	$ 0.54
Weighted Avg Units Outstanding (diluted)	63,880,768	44,415,348	60,031,089	40,929,565

Chartwell's second quarter 2006 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, 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 the REIT's performance and ability to earn and distribute cash returns to Unitholders. Distributable Income, Funds from Operations and Net Operating Income as computed by the REIT may differ from similar computations as reported by other organizations and, accordingly, may not be comparable to those reported by such organizations.

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