CHARTWELL
SENIORS HOUSING REIT

CHARTWELL ANNOUNCES SECOND QUARTER 2009 RESULTS AND CHANGE IN MONTHLY CASH DISTRIBUTIONS

MISSISSAUGA, ONTARIO – August 13, 2009 – Chartwell Seniors Housing Real Estate Investment Trust (TSX - CSH.UN) announced today results for the three and six months ended June 30, 2009.

SECOND QUARTER HIGHLIGHTS:

- Same property NOI stable compared to last year, despite challenging market conditions
- Quebec portfolio occupancies improve with 6.9% growth in same property NOI
- CMHC-insured mortgage debt renewal programs on track, generating ongoing interest savings
- Operating Credit Facility renewed
- Results impacted by $30.7 million provision related to accounts receivable and mezzanine loans from Spectrum and Melior
- Purchase by an institutional investor of eight development properties improves covenant on $8.2 million of mezzanine loans
- Monthly cash distributions reduced to $0.0450 per unit

Operating Performance

Same property net operating income ("NOI"), excluding the impact of foreign exchange, decreased marginally by $0.2 million or 0.4% for the quarter ended June 30, 2009 compared to the same period last year. For the first half of 2009, same property NOI decreased $0.6 million or 0.6% compared to the same period last year. The implementation of rent increases on renewals and turnovers, combined with targeted cost reduction initiatives and tight management of controllable expenses partially offset the negative impact of reduced occupancies, increased utility, property tax, and commodity tax costs compared to last year. Chartwell's Quebec portfolio demonstrated solid performance with same property NOI rising 6.9% in the second quarter of 2009 compared to the same period of last year.

Same property occupancies in Ontario were healthy at 92.5%, declining slightly from 93.3% in the second quarter of last year. Subsequent to June 30, 2009 customer traffic and expected future arrivals have been improving and management is cautiously optimistic that this improvement will translate into increasing occupancies through the remainder of the year. In addition, the spillover effect from significant waiting lists for long-term care beds in the province should continue supporting the increased demand for retirement suites. Alberta continued to perform well with virtually full occupancies, while temporary oversupply conditions in two British Columbia markets, combined with reduced occupancies at one long term care facility, resulted in lower occupancies in that region. Same property occupancies in the Western Canada portfolio were at 92.5% in the second quarter of 2009. Performance in the Quebec portfolio continues to show steady growth with same property average occupancy improving to 86.7% in the second quarter of 2009. Management expects continued occupancy improvements in the Quebec portfolio through the remainder of 2009. The U.S. portfolio continued to experience challenges due to the slow economy, and management is implementing cost reduction initiatives to mitigate the lower occupancies while at the same time sourcing new property management contracts to augment cash flow. Same property average occupancy was 89.5% in the second quarter of 2009. Management is optimistic that recent increases in inquiries and tours across the portfolio, combined with improvements in the U.S. housing market, are positive signs that occupancies will improve over the longer term.

For the second quarter of 2009 general, administrative and trust ("G&A") expenses, excluding severance and other costs slightly increased to 2.8% of revenue compared to 2.7% of revenue in the same period of 2008. The increase was primarily due to re-branding costs related to the U.S. portfolio. For the first half of 2009, G&A expenses as a percentage of revenues, excluding severance and other costs, declined to 2.5% compared to 2.7% of revenue for the same period last year.

Income from Chartwell's Canadian management operations was $0.5 million and $1.6 million for the second quarter and first six months of 2009 respectively compared to $1.2 million and $2.5 million respectively for the comparable prior year periods. The decline is primarily due to lower development management fees from Spectrum as Chartwell continues to reduce its development activities.

"We are pleased with the continued progress in our property operations during these difficult economic times, and expect to see enhanced performance over the long term as our programs to increase revenues and occupancies prove effective and we benefit from the favourable market dynamics being created by strong demand and reduced new product supply," commented Brent Binions, President and CEO. "We are particularly pleased to see the growth in same property NOI in our Quebec portfolio, which has achieved the highest net new rentals across our entire portfolio through the first half of 2009."

Subsequent to June 30, 2009 Chartwell updated its evaluation of the security underlying each of its mezzanine loans, as well as the evaluation of the corporate guarantees securing these mezzanine loans, where applicable. Based on this updated evaluation Chartwell believes that under current market conditions it may not collect the full amount of the accounts receivable and mezzanine loans receivable from Spectrum as well as Melior and their joint venture partners. As a result, as at June 30, 2009 Chartwell recorded an impairment provision of $30.7 million related to the REIT's mezzanine loans and accounts receivable from Spectrum and Melior.

"While we continue to actively work with Spectrum and Melior to collect the amounts due to Chartwell, we believe it is prudent at this time, given the current challenges in the tight credit and real estate development markets, to be conservative in our estimate and to record this impairment charge," Mr. Binions added.

Funds from Operations ("FFO") and Adjusted Funds from Operations ("AFFO"):
For the three months ended June 30, 2009, FFO, excluding the impairment provision of $30.7 million, decreased to $14.0 million ($0.14 per unit diluted) from $16.5 million ($0.16 per unit diluted) in the second quarter of 2008. For the first half of 2009, FFO, excluding the impairment provision, decreased to $33.3 million ($0.33 per unit diluted) compared to $35.4 million ($0.35 per unit diluted) for the same period last year. FFO and FFO per unit were impacted by unrealized foreign exchange losses, lower management fee income, and higher G&A expenses in the second quarter of 2009, partially offset by improved contributions from property operations.

Normalized Funds from Operations ("NFFO") excludes the effects of straight-line operating lease expense and unrealized foreign exchange gains and losses. NFFO, excluding the impairment provision, was $19.8 million ($0.19 per unit diluted) in the second quarter of 2009 compared to $18.5 million ($0.18 per unit diluted) in the same period last year. For the six months ended June 30, 2009, NFFO, excluding the impairment provision, was $43.7 million ($0.43 per unit diluted) compared to 37.2 million ($0.37 per unit diluted) for the same period last year. The increases in 2009 are primarily due to the positive impact of realized foreign exchange gains and the improved contribution from property operations.

For the three months ended June 30, 2009, AFFO, excluding the impairment provision, was $18.0 million ($0.18 per unit diluted) compared to $17.1 million ($0.17 per unit diluted) for the same period in 2008. For the first half of 2009, AFFO was $39.9 million ($0.39 per unit diluted) compared to $33.1 million ($0.33 per unit diluted) for the same six month period last year. The increase was primarily due to realized foreign exchange gain of $4.9 million ($0.05 per unit diluted) recorded in the first quarter of 2009.

Financial Position
As at June 30, 2009 Chartwell's debt to gross book value ratio was 56.4% (62.9% including convertible debentures). The average term to maturity of the mortgage portfolio was 8.2 years with a contractual weighted average interest rate of 5.49%.

During the second quarter of 2009, Chartwell refinanced $11.0 million of 2009 maturing mortgage debt with a weighted average interest rate of 5.03%, lower than the 6.12% average rate on the maturing debt. In addition, Chartwell refinanced $25.1 million of mortgages assumed on acquisition of three properties at a weighted average interest rate of 4.13% lower than the weighted average rate of 5.06% on assumption. Through the first six months of 2009, $63.8 million of maturing mortgage debt was refinanced at a weighted average interest rate of 3.70%. At June 30, 2009 Chartwell had $74.6 million of remaining mortgage debt maturing in 2009, of which approximately 97% was CMHC-insured. Subsequent to the quarter-end, $55.0 million of this maturing mortgage debt (inclusive of top-up financing of $4.1 million) was refinanced at a weighted average interest rate of 4.19% compared to 4.77% on the maturing debt for five-year terms. In addition, one $12.6 million mortgage maturing in 2010 was also refinanced for a five year term bearing interest at 4.36%. Maturing debt through to 2012 relates exclusively to Chartwell's Canadian property portfolio, and there are no maturities of U.S. debt until 2013. Management expects to renew or replace maturing mortgages in the normal course.

Chartwell has received the syndicate lenders' approval to renew its Credit Facility that matured on June 28, 2009 for an additional 364 days. Amounts outstanding under the Credit Facility will bear interest at the bank's prime rate plus 2.75% or at the applicable bankers' acceptance rate plus 4.00%. The size of the Credit Facility was reduced from $90 million to $75 million at Chartwell's request and at June 30, 2009, the maximum available borrowing capacity under the Credit Facility was $55.9 million, of which $28.0 was drawn.

Distributions

Effective with the payment to Unitholders for August 2009, due on September 15 2009, monthly cash distributions will be reduced to $0.0450, or $0.54 on an annualized basis, from the previous level of $0.0617 per month or $0.74 per annum. While property operations are performing well, given the uncertain economic climate in North America management believes that recovery and growth in certain markets may take longer than previously anticipated. In addition, as Chartwell continues working with Spectrum, Melior and their joint venture partners to collect mezzanine loans and accounts receivable and reduces its development management activities, revenue from mezzanine loan interest as well as development and other fees are expected to be lower in the future.

"We believe it is in the best interests of all Unitholders to reduce cash distributions at this time in order to improve our financial position in these uncertain economic times, and to create a more solid base for sustainable future growth," Mr. Binions commented.

Mezzanine Loan Assumption by an Institutional Investor

During the second quarter of 2009 Spectrum Seniors Holdings LP sold its interest in eight development properties and agreed to sell one additional development property, subject to regulatory approval, to limited partnerships controlled by an institutional investor. Chartwell has agreed to the purchaser assuming the outstanding mezzanine loans on six of these properties totalling $8.2 million.

Financial Highlights

	Three Months		Six Months	
($000s except per unit amounts)	**2009**	2008	**2009**	2008
Net Loss	**$ (41,114)**	$ (12,872)	**$ (55,059)**	$ (24,393)
Net Loss per unit (diluted)	**$(0.42)**	$(0.14)	**$(0.57)**	$(0.27)
Funds from Operations (Excluding Provision)	**13,994**	16,524	**33,303**	35,424
Funds from Operations per unit (diluted)	**0.14**	0.16	**0.33**	0.35
Normalized Funds from Operations (Excluding Provision)	**19,777**	18,543	**43,733**	37,245
Normalized Funds from Operations per unit (diluted)	**0.19**	0.18	**0.43**	0.37
Adjusted Funds from Operations (Excluding Provision)	**18,029**	17,071	**39,937**	33,084
Adjusted Funds from Operations per unit (diluted)	**0.18**	0.17	**0.39**	0.33
Distributions declared	**18,693**	18,436	**37,314**	42,220
Distributions declared per unit	**0.19**	0.19	**0.37**	0.42
Weighted average units outstanding (diluted)	**102,414**	101,219	**102,235**	100,794

Chartwell's financial statements, including its Management's Discussion and Analysis, are available at www.chartwellreit.ca. A detailed list of Chartwell's property portfolio can also be obtained under "Property List" 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 14, 2009 at 10:00 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. Access the Chartwell REIT web site at www.chartwellreit.ca, click on "Investor Relations" and follow the link at the top of the page. A slide presentation to accompany management's comments during the conference call will be available. To view the slides, access the Chartwell web site at www.chartwellreit.ca, click on "Investor Relations" and follow the link at the top of the page. 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 822935#. The Instant Replay will be available until midnight, August 21, 2009. The call, along with the companying slides, will also be archived on the Chartwell REIT web site at www.chartwellreit.ca.

Chartwell is a real estate investment trust focused on generating sustainable, stable and growing cash distributions from owning and managing a complete range of seniors housing communities. It is one of the largest participants in the North American seniors housing business. 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 facilities, 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 reflect the current expectations of management about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "believe", "project", "should" or "continue" or the negative thereof or similar variations. 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 Chartwell's control 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, Normalized Funds from Operations, Adjusted 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 Chartwell's performance. Funds from Operations, Normalized Funds from Operations, Adjusted Funds from Operations and Net Operating Income as computed by Chartwell may differ from similar computations as reported by other organizations and, accordingly, may not be comparable to those reported by such organizations. Detailed descriptions of these terms are contained in Chartwell's Management Discussion and Analysis, available at www.sedar.com.

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