



Chartwell Retirement Residences (CWSRF)

Updated May 11th, 2026 by Nikolaos Sismanis

Key Metrics

Current Price:	\$16.20	5 Year Annual Expected Total Return:	-3.5%	Market Cap:	\$5.15 B
Fair Value Price:	\$10.66	5 Year Growth Estimate:	1.0%	Ex-Dividend Date:	04/30/2026
% Fair Value:	152%	5 Year Valuation Multiple Estimate:	-8.0%	Dividend Payment Date:	05/15/2026
Dividend Yield:	2.8%	5 Year Price Target	\$11.20	Years Of Dividend Growth:	1
Dividend Risk Score:	F	Sector:	Real Estate	Rating:	Hold

Overview & Current Events

Chartwell Retirement Residences is the largest operator of retirement residences in Canada, with a portfolio of 142 properties and 26,211 suites across Ontario, Quebec, British Columbia, and Alberta. Its operations are primarily focused on independent supportive living (ISL) and independent living (IL), with additional exposure to assisted living (AL) and a small long-term care (LTC) segment. About 97% of its suites are private pay. Chartwell targets middle-to-upper income seniors in urban and suburban markets, offering hospitality-driven housing with optional care services. The Trust operates a vertically integrated model, including development, acquisitions, asset management, and operations, supporting consistency and scalability across its national platform. The company reports its figures in CAD. All figures in this report have been converted to USD unless otherwise noted. Chartwell trades at a market cap of \$5.15 billion.

On May 7th, 2026, Chartwell Retirement Residences released its Q1 2026 results for the period ending March 31st, 2026. Property revenue was about \$220.9 million in Q1 2026, an increase of \$43.3 million, or 24.4%, from Q1 2025, reflecting continued occupancy gains, contributions from recent acquisitions, and solid same property performance. FFO for the quarter rose to \$62.4 million, a 52.4% increase from Q1 2025, while FFO per unit increased to \$0.20 from \$0.15 in the prior year period. The results demonstrate sustained operational leverage and margin expansion as occupancy and rate growth outpaced cost increases, with same property adjusted NOI up 15.6% and same property adjusted operating margin expanding 230 bps to 42.0%, though higher direct property operating expenses, depreciation, lower lease revenue from joint ventures, and lower management and other fees partially offset these gains. For FY2026, we expect FFO per share of \$0.82.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO	\$0.64	\$0.69	\$0.62	\$0.66	\$0.57	\$0.43	\$0.42	\$0.42	\$0.53	\$0.69	\$0.82	\$0.86
DPS	\$0.42	\$0.46	\$0.43	\$0.46	\$0.48	\$0.48	\$0.45	\$0.46	\$0.43	\$0.45	\$0.46	\$0.48
Shares¹	190.1	209.5	211.0	213.1	214.1	231.2	234.8	238.8	272.6	314.6	324.2	350.0

Chartwell's Funds from Operations (FFO) per unit, when viewed over the past decade, reveals a striking lack of sustained growth despite sector tailwinds from Canada's aging population. FFO per unit hovered at around \$0.64 in 2016, peaked modestly at \$0.69 in 2017, and then entered a stagnation-to-decline cycle. Continued dilution has contributed to this.

By 2019, FFO was \$0.66, only to fall notably during the pandemic to \$0.57 in 2020, and then further to \$0.43 and \$0.42 in 2021 and 2022, respectively. These years were marked by severe COVID-related disruptions, including move-in restrictions and high operating costs tied to PPE, labor, and infection control. Even as the pandemic receded, FFO showed only a partial rebound, reaching \$0.42 in 2023 and \$0.53 in 2024. While recent gains reflect rising occupancy and a post-COVID-normalization, they still fall short of pre-pandemic levels. In 2025, FFO rose to \$0.69, driven by higher occupancy, margin expansion, and higher NOI, with acquisitions and interest income offsetting higher costs.

Moving forward, we believe that Chartwell can sustain soft FFO per share of 1% per year. However, we are uncertain if financing costs and \$2.1B net debt position can allow for better growth. We also expect soft growth in the monthly

¹ Share count is in millions.

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dividend, which Chartwell has consistently paid since 2003, but had not increased for several years prior to this year's soft hike to C\$0.052. Previously the monthly dividend grew between 2014 and 2020, but stayed stable through 2025.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/FFO	---	---	---	---	---	23.3	22.6	20.3	16.7	19.0	19.8	13.0
Avg. Yld.	---	---	---	---	---	4.8%	4.7%	5.4%	4.9%	3.4%	2.8%	4.3%

The stock's price-to-FFO gradually declined from 23.3x in 2021 to 16.7x in 2024. However, after reaching a relative low in early 2024, the multiple has recently expanded, driven by positive occupancy trends and growing investor expectations of interest rate cuts, which could support stronger FFO per share. Despite this rebound, we believe the stock appears overvalued at current levels. The dividend yield remains underwhelming, especially when compared to historical averages and to yields offered by peers. A significant multiple contraction would not surprise us.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	66%	67%	69%	70%	84%	112%	107%	110%	81%	65%	56%	56%

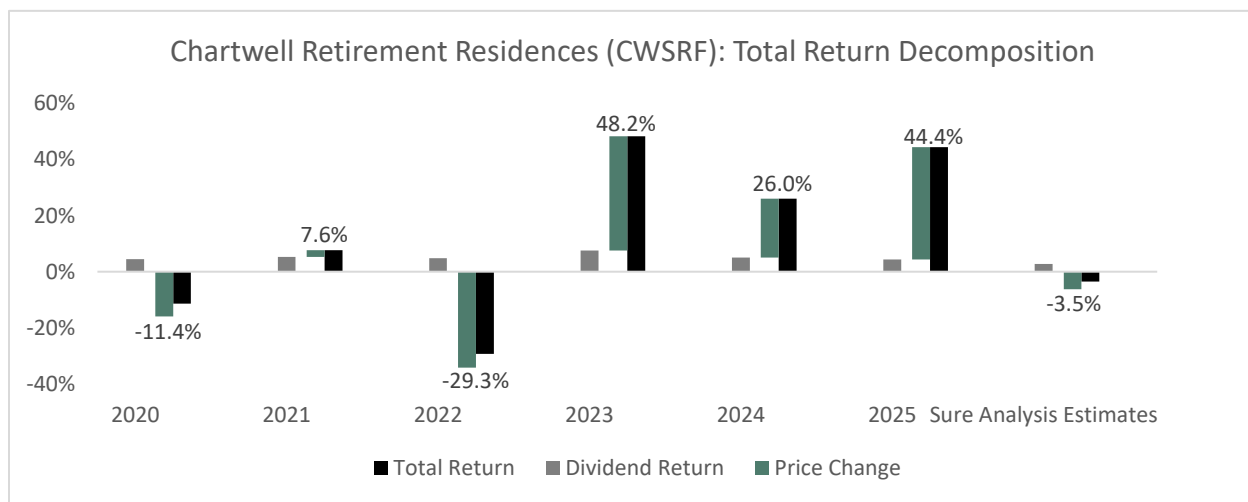
Chartwell operates in a relatively recession-resistant segment of the real estate market, serving essential, service-based tenants that tend to maintain operations even during economic downturns. This contributes to steady occupancy and cash flow, which, along with a diversified tenant base, supports the company's overall quality and operating resiliency. The consistent monthly dividend, paid since 2003, reflects this stability, and notably, the payout was maintained during the COVID-19 pandemic.

That said, the dividend was slashed during the Great Financial Crisis, highlighting potential vulnerability in more severe downturns. We also don't believe the company has any competitive advantage, relatively speaking, and considering the overall lack of FFO per share growth, a prolonged earnings decline could indeed lead to another dividend cut.

Final Thoughts & Recommendation

Overall, the company operates in a resilient niche with stable occupancy and a long dividend track record, supported by essential-service tenants. Because of the lack of noteworthy FFO/share growth over the years, lack of notable dividend growth post-pandemic, and its expensive valuation, we believe the stock may generate negative returns in the coming years. We rate Chartwell as a hold only due to the recent dividend hike initiating a dividend growth track record.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	572	614	666	686	690	539	543	545	619	793
Gross Profit	198	213	235	242	226	201	186	202	248	151
Gross Margin	34.6%	34.7%	35.3%	35.2%	32.7%	37.3%	34.3%	37.1%	40.0%	19.0%
SG&A Exp.	26	30	34	33	33	35	38	45	36	-
D&A Exp.	111	118	133	136	134	134	122	116	123	177
Operating Profit	61	65	68	73	59	40	28	41	90	93
Operating Margin	10.7%	10.6%	10.2%	10.7%	8.5%	7.4%	5.1%	7.6%	14.5%	11.7%
Net Profit	4	10	14	1	11	8	38	95	16	21
Net Margin	0.6%	1.6%	2.1%	0.1%	1.6%	1.5%	7.0%	17.4%	2.6%	2.6%
Free Cash Flow	27	24	11	(2)	39	33	20	21	68	103
Income Tax	0	(0)	15	8	(3)	1	11	2	25	32

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	2,074	2,397	2,437	2,675	2,736	2,680	2,586	2,438	2,848	3,692
Cash & Equivalents	22	36	22	18	55	75	21	19	14	80
Accounts Receivable	14	9	10	1	1	1	1	1	1	-
Goodwill & Int. Ass.	43	45	48	57	62	57	21	19	15	15
Total Liabilities	1,462	1,593	1,751	2,034	2,161	2,032	2,019	1,841	2,100	2,445
Accounts Payable	66	85	106	130	143	153	147	130	150	-
Long-Term Debt	1,345	1,442	1,586	1,848	1,965	1,831	1,720	1,521	1,805	2,179
Shareholder's Equity	612	803	685	641	576	648	567	597	747	1,247
LTD/E Ratio	2.20	1.79	2.31	2.88	3.41	2.83	3.03	2.55	2.42	1.75

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.2%	0.5%	0.6%	0.0%	0.4%	0.3%	1.4%	3.8%	0.6%	0.7%
Return on Equity	0.6%	1.4%	1.9%	0.1%	1.8%	1.3%	6.3%	16.3%	2.4%	2.1%
ROIC	0.2%	0.5%	0.6%	0.0%	0.4%	0.3%	1.6%	4.3%	0.7%	0.7%
Shares Out.	190.1	209.5	211.0	213.1	214.1	231.2	234.8	238.8	272.6	239.3
Revenue/Share	3.01	2.93	3.16	3.17	3.16	2.33	2.31	2.28	2.27	2.71
FCF/Share	0.14	0.12	0.05	(0.01)	0.18	0.14	0.09	0.09	0.25	0.35

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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