NEWS RELEASE

# Chartwell Acquires Three Ontario Properties

2015-09-14

MISSISSAUGA, ON --(Marketwired - September 14, 2015) - Chartwell Retirement Residences ("Chartwell") (TSX: CSH.UN) announced today that it acquired three retirement residences for an aggregate purchase price of $170.7 million from three separate groups of vendors affiliated with MTCO Holdings Inc. ("MTCO").

The Village of Oxford Gardens is located in Woodstock and is comprised of 185 suites. Building construction was completed in two phases in 2009 and 2012. The residence has ample amenity offerings, large outdoor spaces, a complementary commercial real estate component and a state-of-the-art solar water heating system. The residence is currently 88% occupied.

Montgomery Village Seniors Community is located in Orangeville and is comprised of 136 suites. The residence opened in 2012 and is a leader in its local market with current occupancy of 93%. The campus contains excess land for development of up to 69 additional suites. Included in the purchase price of this property is $1.0 million related to this excess land and a deferred payment of $1.85 million due on the third anniversary of the closing.

Harwood Place Seniors Community is a 126-suite residence located in Ajax, which opened in July 2015. The residence has experienced strong pre-leasing with 56% of the suites currently reserved with move-in dates on or before October 1, 2015. The vendor has provided Chartwell with 24-months occupancy support of up to $2.5 million. This amount will be held back on closing and released to Chartwell during the lease-up period based on an agreed-upon formula. In addition, the vendor has agreed to convert certain common areas in this building to four additional suites at their cost within 12 months of closing.

Chartwell estimates the first year unlevered yield on this transaction, including estimated occupancy support payments, to be 6.1%, with the stabilized yield estimated at 6.6%.

"This transaction is fully in line with our strategy to expand our portfolio with new, high-quality properties, located in strong and growing markets and also furthers our goal to accretively re-invest proceeds from the recent sale of our U.S. portfolio," commented Vlad Volodarski, Chartwell's Chief Financial Officer and Chief Investment Officer. "We are also pleased to establish a business relationship with MTCO, a reputable developer of seniors housing in Ontario and we are looking forward to working with them on future projects."

About Chartwell

Chartwell is an unincorporated, open-ended trust which indirectly owns and operates a complete range of seniors housing communities from independent supported living through assisted living to long term care. It is the largest owner and operator of seniors residences in Canada. Chartwell's aim is to capitalize on the strong demographic trends present in its markets to maximize the value of its existing portfolio of retirement residences, and prudently avail itself of opportunities to grow internally and through accretive acquisitions. More information can be obtained at **www.chartwell.com**.

Forward-Looking Information

This press release contains forward-looking information that reflects the current expectations, estimates and projections of management about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry. 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 our control, and that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements. 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 more fully described in the "Risks and Uncertainties" section in Chartwell's 2014 MD&A and 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.

FOR FURTHER INFORMATION PLEASE CONTACT:

For more information, please contact:
Chartwell Retirement Residences
Vlad Volodarski, Chief Financial Officer and
Chief Investment Officer
Tel: (905) 501-4709
Fax: (905) 501-4710
vvolodarski@chartwell.com

Source: Chartwell Retirement Residences