NEWS RELEASE

Chartwell Announces Acquisition and Extension of Spectrum Settlement Agreement

2010-11-17

MISSISSAUGA, ONTARIO -- (MARKET WIRE) -- 11/17/10 -- Chartwell Seniors Housing Real Estate Investment Trust (TSX: CSH.UN) announced today that it has agreed to acquire Chartwell Select Muskoka Traditions Retirement Residence from Spectrum Seniors Holdings LP. The purchase price will be approximately $26.0 million, and will be satisfied by the assumption of a construction loan of approximately $16.8 million bearing interest at bank prime rate plus 2.5%, the discharge of a mezzanine loan owing to Chartwell of approximately $2.7 million and the balance, subject to working capital adjustments and a partial settlement of amounts due to Chartwell by Spectrum, payable to Spectrum in cash. The closing of the transaction is expected on November 30, 2010.

Muskoka Traditions is a 101-suite independent living retirement residence located in Huntsville Ontario. The property also includes 5 town bungalows and excess land for construction of approximately 36 additional suites. The property opened in October 2008 and is currently 61% occupied. Chartwell has been managing the residence since its opening.

Chartwell also announced today that it has agreed to extend the Settlement Agreement with Spectrum to June 30, 2011 in order to allow more time for Spectrum to wind down its operations in an orderly fashion.

Chartwell is a real estate investment trust which indirectly owns and operates a complete range of seniors housing communities from independent supportive living ("ISL") through assisted living ("AL") to long-term care ("LTC"). It is one of the largest participants in the seniors housing business in North America. 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 communities, 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**.

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. The words "plans", "expects", "does not expect", "is expected", "budget", "scheduled", "estimates", "intends", "anticipates", "does not anticipate", "projects", "believes" or variations of such words and phrases or statements to the effect that certain actions, events or results "may", "will", "could", "would", "might", "occur", "be achieved" or "continue" and similar expressions identify forward-looking statements. 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.

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 2009 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.

Non-CGAAP Measures

Funds from Operation ("FFO"), Adjusted Funds from Operations ("AFFO") and Net Operating Income ("NOI") are not measures recognized under Canadian generally accepted accounting principles ("CGAPP") and do not have a standardized meaning prescribed by CGAAP. They are presented because management believes these non-CGAAP

measures are relevant measures of Chartwell's performance. FFO, AFFO and NOI as computed by Chartwell may differ from similar computations as reported by other issuers and, accordingly, may not be comparable to those reported by such issuers. Chartwell's Q3 2010 MD&A contains a reconciliation of Net Income/Loss to FFO and the calculation of AFFO for the three and nine-months period ended September 30, 2010 and 2009. Detailed descriptions of these terms are contained in Chartwell's 2009 MD&A, available at **www.sedar.com**.

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