NEWS RELEASE

Chartwell Announces Acquisition of a Premier Retirement Residence in Ontario

2016-02-29

MISSISSAUGA, ON --(Marketwired - February 29, 2016) - Chartwell Retirement Residences ("Chartwell") (TSX: CSH.UN) announced today that it has entered into a definitive agreement to acquire the Duke of Devonshire Retirement Residence in Ottawa, Ontario for $63.6 million.

The Duke of Devonshire is a high-end residence that enjoys a unique location in downtown Ottawa adjacent to the Ottawa Hospital (Civic Campus) and in close proximity to a range of local restaurants, shopping and businesses. Opened in 2009, the Duke of Devonshire has 105 suites which are currently 93% occupied. The residence has an underground parking garage in which 215 parking spaces are leased to the Ottawa Hospital under a lease agreement expiring in June 2025, with annual lease payments of $0.4 million increasing 1% per annum. The purchase price will be settled by the assumption of a $34.0 million mortgage bearing interest at 4.41% and maturing in September 2024, with the balance to be paid in cash. The closing of this transaction is expected to take place on March 15, 2016 and Chartwell expects to generate a first-year unlevered yield of 6.5%.

"We are pleased to add this luxury residence to our portfolio. The Duke of Devonshire complements our already strong presence in the Ottawa market allowing for further management and operating efficiencies," commented Vlad Volodarski, Chartwell's Chief Financial Officer and Chief Investment Officer. "We look forward to welcoming the residents and staff of the Duke of Devonshire to the Chartwell family."

About Chartwell

Chartwell is an unincorporated, open-ended trust which indirectly owns and operates a complete range of seniors housing communities from independent supportive 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 seniors housing communities, 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 2015 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