NEWS RELEASE

Chartwell Announces Amendments to Spectrum Settlement Agreement

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MISSISSAUGA, ONTARIO -- (MARKET WIRE) -- 10/17/11 -- Chartwell Seniors Housing Real Estate Investment Trust (TSX: CSH.UN) ("Chartwell") announced today that it has amended and restated the terms of its settlement agreement with Spectrum Seniors Holdings LP ("Spectrum") to allow Spectrum to sell certain of its assets to Renaissance Lifestyle Communities Inc. ("Renaissance") pursuant to its Initial Public Offering (the "Renaissance IPO").

Under the terms of the amended and restated settlement agreement ("Amended Settlement Agreement"), upon closing of the Renaissance IPO, Chartwell is expected to receive approximately $15.4 million in repayment of outstanding accounts receivable and mezzanine loans due from Spectrum. Chartwell has agreed to defer the collection of a $5.0 million settlement fee previously agreed upon and will also defer the repayment of a $1.0 million mezzanine loan on one of Spectrum's properties in Quebec for up to 18 months after the closing of the Renaissance IPO ("Deferred Payment"). The $1.0 million mezzanine loan will continue to bear interest at 10% per annum and will continue to be secured by a second charge on the related property and Spectrum's corporate guarantee. In addition, the total $6.0 million Deferred Payment will be secured by a pledge of approximately $15.0 million of Renaissance shares to be received by Spectrum on the sale of its assets to Renaissance pursuant to the Renaissance IPO. Chartwell will also extend the term of a $0.9 million mezzanine loan on another Spectrum property for up to 24 months after the closing of the Renaissance IPO. This loan will continue to bear interest at 10% and will be secured by a second charge on the related property and Spectrum's corporate guarantee. Chartwell will continue managing this property and retains its right of first refusal to acquire the asset as long as the mezzanine loan remains outstanding.

As a result of the Amended Settlement Agreement, upon completion of the Renaissance IPO, Chartwell expects to

reverse the previously recorded $10.3 million impairment provision of its mezzanine loans and accounts receivable from Spectrum, and record fee income of approximately $6.5 million.

Chartwell has been advised that the Renaissance IPO is expected to be completed prior to November 30, 2011 ("Renaissance IPO Completion Date") and Chartwell has agreed to defer collection of mezzanine loan interest and management fees from Spectrum until the Renaissance IPO Completion Date.

Chartwell is a real estate investment 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 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. For example, the settlement terms described in this press release, including amounts to be repaid to Chartwell, are conditional on a successful closing of the Renaissance IPO. 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 intend 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 2010 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.

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