NEWS RELEASE

Chartwell Further Strengthens its Portfolio and Liquidity

2019-12-12

MISSISSAUGA, ON, Dec. 12, 2019 /CNW/ - Chartwell Retirement Residences ("Chartwell") (TSX: CSH.UN) announced today that it completed the acquisition of a 256-suite retirement residence in Edmonton, Alberta; entered into a borrowing agreement with a Canadian chartered bank for a $125 million unsecured term loan; and completed the sale of its interest in a medical office building located in Ste. Eustache, Quebec.

Chartwell completed the previously-announced acquisition of Chartwell Emerald Hills Retirement Residence located in the vibrant Sherwood Park community of Edmonton, Alberta. The residence consists of 184 private pay independent supportive living suites and 72 suites funded by Alberta Health Services ("AHS"). The residence began welcoming residents on November 8, 2019, and including the AHS funded suites, is currently 45% leased. The purchase price of $120.0 million, before certain closing adjustments, was set in a forward-purchase agreement entered into in 2017. Chartwell expects to generate a 6.5% unlevered yield on its investment upon the residence achieving stabilized occupancy of 96%. The acquisition is subject to a $7.5 million net operating income guarantee from the vendor for a period of two years to support the initial lease-up.

Chartwell also entered into a firm commitment with a Canadian chartered bank for a $125.0 million unsecured term loan (the "Term Loan"). The Term Loan will bear interest at the bankers' acceptance rate plus 145 basis points and will mature in May 2024. Chartwell has fixed the rate on the Term Loan through an interest rate swap arrangement with a resulting effective interest rate of approximately 3.52%. The proceeds of the Term Loan will be used to repay the amounts outstanding on Chartwell's credit facility.

Chartwell and Batimo Inc. (the "Owners") completed the sale of a medical office building located in Ste. Eustache, Quebec for an aggregate sale price of $10.8 million. As part of the sale, the Owners agreed to enter into a head

lease with the purchaser for certain spaces in the building commencing on December 2, 2020, and terminating on April 30, 2022, with a maximum financial exposure to the Owners of $0.5 million. Chartwell owns an 85% interest in this property.

"The announced transactions perfectly align with our strategy to grow our portfolio within the focused footprint of services, locations and property scale. We are pleased to add a new, well-located residence to our portfolio and further grow our presence in the strong Edmonton market while divesting of a non-core asset," commented Vlad Volodarski, Chartwell's Chief Financial Officer and Chief Investment Officer. "We are also pleased with the recognition by our lending partner of the strength of our business model and balance sheet, which has resulted in our ability to source an unsecured loan on favourable terms."

ABOUT CHARTWELL

Chartwell is an unincorporated, open-ended real estate 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 operator in the Canadian seniors living sector with over 200 quality retirement communities in four provinces. Chartwell is committed to its vision of Making People's Lives BETTER and to providing a happier, healthier and more fulfilling life experience for its residents. For more information, visit **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 2018 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.

SOURCE Chartwell Retirement Residences

Chartwell Retirement Residences, Vlad Volodarski, Chief Financial Officer and Chief Investment Officer, Tel: (905) 501-4709, vvolodarski@chartwell.com