NEWS RELEASE

Chartwell REIT Completes Acquisition of Vancouver's CPAC Care

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Becomes British Columbia's Largest Owner and Operator of Seniors Residential Facilities

Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) announced today that it had completed its takeover and acquisition of CPAC (Care) Holdings Ltd. ("CPAC") of Vancouver, British Columbia. Chartwell has now paid for and acquired all CPAC common shares and, as a result, indirectly owns all the issued and outstanding common shares of CPAC.

With the completion of this transaction Chartwell has become the largest owner and operator of seniors residential facilities in British Columbia. The acquisition also provides Chartwell with an immediate presence in the B.C. licensed care sector and the opportunity to compete effectively in expanding its presence through future proposal calls. Chartwell's total portfolio, including managed properties and those under development, has increased to 15,688 suites in 137 facilities. British Columbia now accounts for approximately 19% of the total portfolio, further enhancing the REIT's diversification.

"We are very pleased to have completed this important transaction," commented Stephen Suske, Vice Chair and President. "The acquisition is immediately accretive to our distributable income, and we anticipate further increases as we capture the significant cost and operating synergies arising from our increased presence in British Columbia."

"We are also pleased to welcome our new residents to the growing Chartwell family, and look forward to providing them with the same levels of care and service they have come to expect from this experienced and dedicated

operating team," added Robert Ezer, Chartwell's Chief Executive Officer.

Chartwell REIT is a growth-oriented investment trust owning and managing a complete spectrum of seniors housing properties in selected centres across Canada. Focused on the Canadian marketplace, Chartwell REIT is currently the second largest participant in the Canadian seniors housing business. Chartwell REIT will capitalize on the strong demographic trends present in its markets to grow internally and through accretive acquisitions. Chartwell REIT also has an exclusive option to purchase stabilized facilities from Spectrum Seniors Housing Development LP, Canada's largest and fastest growing developer of seniors housing.

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**

Certain statements contained in this news release may include forward-looking information with respect to Chartwell Seniors Housing Real Estate Investment Trust's operations and future financial results. Such statements are based on current expectations, are subject to a number of uncertainties and risks, and actual results may differ materially from those contained in such statements. These uncertainties and risks include, but are not limited to, availability of resources, competitive pressures, changes in market activity and regulatory requirements. Further information can be found in the disclosure documents filed by Chartwell Seniors Housing Real Estate Investment Trust with the securities regulatory authorities, available at **www.sedar.com**.

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