NEWS RELEASE

Chartwell Signs Preliminary Agreement to Acquire Portfolio of Long-Term Facilities

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MISSISSAUGA, ONTARIO--(CCNMatthews - Dec. 23, 2005) - Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) announced today that it had signed a preliminary purchase and sale agreement to acquire 100% of a portfolio of six long-term care facilities and one assisted living residence located in southwest Ontario.

The portfolio is operated by Chateau Gardens Management Services and, in the aggregate, Chartwell will acquire 510 beds, including 64 assisted living beds, in the communities of Lancaster, Niagara, Aylmer, Elmira, Parkhill and London. The transaction will also involve the assumption of two management contracts in Parkhill and Delhi, totaling an additional 65 beds. The total purchase price will be approximately $40.0 million.

The acquisition is subject to due diligence, regulatory approval, including approval from the Ontario Ministry of Health and Long-Term Care, and the review and approval of Chartwell's Investment Committee and Board of Trustees. It is anticipated the approvals from the Ontario Ministry of Health and Long-Term Care will take approximately six months to complete.

"This acquisition, once completed, will enhance our presence in one of Canada's strongest retirement markets and strengthen our ability to offer a complete spectrum of care to seniors in southwestern Ontario," commented Stephen Suske, Vice Chair and President.

Chartwell REIT is a growth-oriented investment trust owning and managing a complete spectrum of seniors housing properties. It is currently the second largest participant in the Canadian seniors housing business with a growing presence in the United States. Chartwell 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, a seniors housing development company.

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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