NEWS RELEASE

Chartwell Strengthens ING Partnership with US$44 Million Acquisition of Two U.S. Retirement Residences

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MISSISSAUGA, ONTARIO--(CCNMatthews - Sept. 23, 2005) - Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) announced today that, together with its 50/50 joint venture partner, ING Real Estate Australia Pty Limited, it would acquire a 100% interest in the Pocasset Bay Manor in Providence, Rhode Island and The Park at Trowbridge in Southfield Michigan.

The properties will be managed by Horizon Bay Chartwell LLC, the REIT's US property management entity, owned in joint venture with Horizon Bay Management LLC, a large and respected owner and operator of seniors residential facilities across the United States. Chartwell will also receive an asset management fee from ING.

The total purchase price for the 100% interest will be approximately US$44.0 million, including mortgage financing of US$28.0 million. Chartwell's 50% interest will be funded from cash on hand and the issuance of US$1.85 million in the REIT's Class B Master Care LP units.

Pocasset Bay Manor, a recently renovated 168-suite facility in Providence Rhode Island, has been managed by Horizon Bay since September 2004. The facility is one of seven Horizon Bay operates in the state. Currently 95% occupied, the facility has initiated a program to increase rental and service rates on turnover to bring the facility more in line with the market average. In addition, the facility is situated on a 13 acre land site, providing the opportunity for growth through development in the future.

The Park at Trowbridge is a 300-suite facility in Southfield Michigan located outside Detroit. Extensive renovations were completed in June 2005, and the facility has recently seen a significant increase in occupancies. Horizon Bay oversaw the renovation and repositioning projects, and has been managing the property since 2004. An accretive

acquisition, further upside will be generated through enhanced occupancy and increasing monthly rents, which are currently more than $400 per suite lower than the market average in the area.

Both facilities are predominantly in the independent living segment of the business, Chartwell's core area of focus due to more stable occupancies, higher demand and higher operating margins. In addition, both facilities are 100% private pay with no reliance on complicated and uncertain U.S. state or federal reimbursement programs.

"With these acquisitions, we are expanding our presence in the U.S. market and strengthening the joint venture relationships we established with ING and Horizon Bay through our acquisition of the Merdian portfolio last month," commented Stephen Suske, Vice Chair and President. "Once these two transactions are closed, our eight US properties will comprise 1,511 suites, or approximately 9% of our total portfolio. In addition, we have a solid opportunity to grow distributable income through our programs to increase occupancies and average rents in our new properties."

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**.

CONTACT: Chartwell Seniors Housing Real Estate Investment TrustMr. Stephen Suske
Vice Chair and President
(905) 501-4701
Fax: (905) 501-9107
ssuske@chartwellreit.cawww.chartwellreit.ca

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