NEWS RELEASE

Chartwell To Increase Quebec Presence With Development Of Four Seniors Housing Facilities With Total Project Costs Of $98.9 Million

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MISSISSAUGA, ONTARIO--(CCNMatthews - Sept. 26, 2005) - Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) announced today that it had invested approximately $16.7 million in equity and mezzanine financing to its Quebec development partner, Le Groupe Melior, for the construction of four seniors housing facilities in the Province of Quebec. The total value of the four projects will aggregate approximately $98.9 million.

Chartwell will make an equity investment of approximately $1.4 million and extend mezzanine financing of approximately $1.1 million to Melior for the development of Phase II of the Marquis de Tracy II in Sorel, Quebec. The project entails a 75 suite expansion to the existing Tracy II Phase I residence to create a greater campus of care environment. Chartwell and Melior currently own and operate two properties in this market area.

Chartwell will receive interest of 14% per annum on its loan and its co-owned management company with Melior will receive management fees of 4% of gross revenues on the opening of the facility. Total project costs are estimated to be $11.1 million and the facility is expected to be fully stabilized in December 2007.

Mezzanine financing of approximately $4.0 million will also be extended to Le Groupe Melior for the development of a 150 suite independent living facility adjacent to a property currently under construction at Domaine des Forges in Laval, Quebec. The properties are located on the banks of the Thousand Island River and close to the Parc de la Riviere des Milles Isles, the largest natural park in the region.

Chartwell will receive interest at 10% per annum on its loan, as well as various fees of approximately $541,800. The REIT's co-owned management company with Melior will receive management fees of 4% of gross revenues on the

opening of the facility. Total project costs are estimated to be $20.5 million. The property will be acquired by the REIT once fully stabilized, estimated to be in 2007.

In addition, Chartwell will extend $5.76 million in mezzanine financing to Le Groupe Melior for the development of Les Coteaux du Marais, a 164 suite independent living facility on 5.5 acres of land close to the centre of the City of Magog, Quebec.

Chartwell will receive interest at 10% per annum as well as various fees of approximately $807,500. The REIT's co-owned management company with Melior will receive management fees of 4% of gross revenues on the opening of the facility. Total project costs are estimated to be $28.8 million. The property will be acquired by the REIT once fully stabilized, estimated to be in 2008.

Finally, Chartwell has extended additional mezzanine financing of $4.44 million to Le Groupe Melior for the development of Les Seigneuries du Carrefour in Sherbrooke, Quebec. The additional financing is to expand the facility to 279 independent living suites from the original 149 suites.

Chartwell will receive interest at 14% per annum as well as various fees of approximately $1,300,000. The REIT's co-owned management company with Melior will receive management fees of 4% of gross revenues on the opening of the facility. Total project costs are estimated to be $38.5 million. The property will be acquired by the REIT once fully stabilized, estimated to be in late 2007.

"These transactions will increase our presence in Quebec and strengthen our relationship with Le Groups Melior, one of the most respected names in the Quebec seniors housing business," commented Stephen Suske, Vice Chair and President. "This partnership provides Chartwell with considerable experience and success in developing and managing retirement facilities in the Province, and we look forward to adding these high quality properties to our portfolio."

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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