NEWS RELEASE

Chartwell to Finance Development of Seven Seniors Housing Facilities with Total Project Costs of $164 Million-Eastern Ontario Acquisition Also Announced

2005-12-19

MISSISSAUGA, ONTARIO--(CCNMatthews - Dec. 19, 2005) - Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) announced today that it had extended mezzanine financing for seven new seniors housing facilities with total project costs of approximately $164.1 million. The mezzanine financings to Spectrum Seniors Housing Development LP and other joint venture development partners total approximately $21.3 million.

The Chartwell Select - Pickering facility will be a 117 suite independent living facility situated on a one acre site in the City Centre area of Pickering, Ontario east of Toronto. The property is adjacent to a recently completed condominium project and is close to a wide range of services and amenities. Chartwell will extend a mezzanine loan of approximately $1.84 million to Spectrum for the construction and leaseup of the facility. The REIT will receive interest at 10% per annum, as well as a development fee of $500,000, a financing fee of $150,000, and annual management fees of 4% of revenues. The total project costs are estimated to be $24.5 million with the project expected to be completed in 2007.

The Chartwell Select - Oakville will be a 124 suite facility located in the Uptown Core area in the Town of Oakville, Ontario, a new mixed residential and commercial community north of the Queen Elizabeth Way. Chartwell will extend $1.46 million in mezzanine financing to Spectrum to complete the project. Interest will be paid at 10% per annum, and Chartwell will also receive a development fee of $700,000, a financing fee of $171,000, and a management fee of 4% of revenues until the facility is acquired by the REIT, estimated in the summer of 2009. Total project costs are estimated at approximately $28.5 million.

The Chartwell Select - Huntsville will be a 100 suite independent living facility located near downtown Huntsville, Ontario. Chartwell currently owns the Rogers Cove facility in Huntsville which has been 100% occupied since 1996 and consistently has a waiting list. Mezzanine financing of approximately $1.35 million will be extended to Spectrum. Chartwell will receive interest on its loan at 10% per annum, a $450,000 development fee, a $108,000 financing fee, and an annual management fee of 4% of revenues. The total project costs are estimated to be $18.0 million and Chartwell has an option to purchase the property on completion and stabilization, expected in late 2008.

Chartwell will also be extending a $1.05 million mezzanine loan to Spectrum for the development of the Chartwell Select Wiltshire residence in Vernon, British Columbia. The facility will consist of 90 independent living and assisted living suites situated on 1.5 acres of land in a predominantly residential neighbourhood close to downtown Vernon. Total project costs are estimated at $14.0 million. Chartwell will receive interest on its loan at 10% per annum, a development fee of $350,000, a financing fee of $135,000 and a management fee of 4% of revenues. The project is expected to be completed in the fall of 2007.

"With the recent completion of Spectrum's recent $17.5 million equity financing, our development pipeline through our joint venture partner will continue to grow," commented Stephen Suske, Vice Chair and President. "In addition to generating interest and fees for our unitholders, as we acquire these brand new and fully stabilized facilities we will be significantly enhancing the quality and scope of our property portfolio."

Chartwell also announced a number of other mezzanine financing transactions with its development partners.

Chartwell Select Parksville will be jointly developed by Spectrum and MacLean Homes, a proven and well-respected developer of seniors housing facilities in British Columbia. This will be Spectrum's fourth joint venture project with MacLean Homes. The facility will contain 140 suites well located in a residential neighbourhood close to the downtown and adjacent to a large park and a facility to be constructed by the Vancouver Island Health Authority. Chartwell will extend mezzanine financing of $1.69 million to each of Spectrum and MacLean Homes for the development and lease-up of this facility. Interest will be charged at 10% per annum, and Chartwell will also receive a development fee of $500,000, a financing fee of $135,000, a mezzanine loan placement fee of approximately $170,000 and a management fee of 4% of revenues. Total project costs are estimated at $22.5 million, with completion anticipated in the fall of 2007.

Chartwell will also extend approximately $9.38 million to its Quebec joint venture partner, Melior Development Ltd., for the construction of a 236 suite independent living facility adjacent to the REIT's co-owned Monastere d'Aylmer in the strong Aylmer-Gatineau market. Chartwell will receive interest at 10% per annum on its loan as well as management fees of approximately $1.26 million. Total project costs are estimated at $46.9 million, with completion and sale to the REIT expected in the fall of 2008.

In addition, Chartwell will extend a $2.79 million mezzanine loan to a Partnership owned by the officers and shareholders of Le Groupe Melior to develop 78 new suites adjacent to an existing retirement facility owned by the Partnership. In addition to interest charged at 10% per annum, the REIT will receive fees of approximately $465,000. Chartwell has the option to acquire 100% of the new facility when it is completed and stabilized, estimated in the fall of 2007. Total project costs are estimated at $9.7 million.

Chartwell also announced today that it will acquire 100% of the 101 suite Chateau Cornwall Retirement Residence from its joint venture partner Spectrum for $6.8 million, including the assumption of a $4.0 million existing mortgage and the repayment of Chartwell's mezzanine loan of $2.76 million. Subject to the facility achieving certain net operating income targets, the purchase price could be increased to $7.7 million over a 3 year term. Chartwell has been managing the facility since its IPO in November 2003.

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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Source: Chartwell Seniors Housing REIT