NEWS RELEASE

Chartwell's U.S. Property Management Partner Wins New Contract

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MISSISSAUGA, ONTARIO--(Marketwire - Dec. 15, 2008) - Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) announced today that Horizon Bay Retirement Living, Chartwell's property management partner in the United States, had been selected to manage three continuing care retirement communities (CCRC) in Florida totalling 1,694 residential units.

The three projects include: Regency Oaks located on 40 acres in Clearwater, which has 473 apartment homes, Lake Port Square, located on 78 acres on the shores of Lake Harris in Leesburg, which features two residential buildings with 553 apartment homes and South Port Square, in Port Charlotte, which has 668 total units located in the two residential buildings known as Gables East and Gables West. All three of these communities offer independent living, assisted living, home health and skilled nursing care. These CCRC communities employ 1,300 staff, all of whom will become employees of Horizon Bay.

Horizon Bay was selected by AEW Capital Management L.P. (AEW), on behalf of one of AEW's institutional clients, to become the new manager of the communities. The transaction increases Horizon Bay's units under management to over 14,000, with 77 communities located nationwide in 15 states.

"We selected Horizon Bay because of their excellent reputation and stellar track record in the retirement living market and depth of knowledge of the Florida seniors market," said Pamela Herbst, Managing Director and Head of Direct Investments at AEW. "We anticipate a successful partnership with Horizon Bay."

"We're excited to enter the CCRC market and believe this is a natural extension of our diverse portfolio of living options for seniors," said Thilo Best, Horizon Bay's Chairman and CEO. "We are also delighted to add AEW to our

roster of institutional real estate investors that we manage properties for, and we're looking forward to continuing the tradition of excellent service and amenities."

"This prestigious new contract is a testament to the strong market presence Horizon Bay holds in the U.S. seniors housing business, and the skill and expertise of their people," commented Stephen Suske, Chartwell's Chief Executive Officer and Vice Chair. "We are very pleased to have Horizon Bay as our U.S. property management partner, and congratulate them on this new contract."

About Chartwell:

Chartwell is an investment trust focused on generating sustainable, stable and growing cash distributions from owning and managing a complete spectrum of seniors housing communities. It is the largest participant in the Canadian seniors housing business and the third largest in North America. Chartwell will capitalize on the strong demographic trends present in its markets to maximize the value of its existing portfolio of seniors housing facilities, and prudently avail itself of opportunities to grow internally and through accretive acquisitions. Chartwell also has an exclusive option to purchase stabilized communities from Spectrum, Canada's leading seniors housing development company.

About Horizon Bay Retirement Living

Horizon Bay is a privately owned seniors housing management company focused on managing large portfolios of retirement communities across the United States for institutional real estate investors. The company has grown beyond traditional property management into a fully integrated service platform. The Horizon Bay portfolio includes independent living, assisted living, memory care, skilled nursing care and continuing care retirement communities. For more information on Horizon Bay, visit **www.horizonbay.com**.

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