



SNH Announces \$86.6 Million Transaction

Newton, MA (December 29, 2003): Senior Housing Properties Trust (NYSE: SNH) today announced that it has closed an \$86.6 million purchase and lease transaction with NewSeasons Assisted Living Communities, Inc.

NewSeasons owns and operates assisted living communities in Pennsylvania and New Jersey. In the transaction which closed today, SNH purchased 10 of these communities with resident capacity of 1,019 for \$86.6 million. Simultaneously, NewSeasons leased these communities from SNH for an initial term ending in 2017, plus tenant renewal option terms thereafter for a total of 30 years. The rent payable to SNH will average approximately \$9.3 million/year during the initial lease term; although it will commence at a lower rate of approximately \$8 million/year and then increase at agreed times during the lease term.

NewSeasons is a subsidiary of Independence Blue Cross, or IBC. IBC is a large regional health insurance company based in Philadelphia, Pennsylvania serving approximately 2.9 million lives in the southeastern Pennsylvania marketplace. IBC has annual revenues of approximately \$8.5 billion. IBC has guaranteed NewSeasons' financial obligations to SNH.

Six of the 10 communities which SNH has purchased are located in Pennsylvania and four are located in New Jersey. The occupancy of these communities at present is approximately 81%. One hundred percent of the revenues at these communities are paid by residents from their private resources.

SNH purchased the 10 communities free and clear of all mortgage debts. SNH funded this purchase by drawings under its revolving bank credit facility.

In addition to the transaction which closed today, SNH, NewSeasons and IBC have entered an agreement for the possible expansion of their business relationships by adding up to four assisted living communities with resident capacity for 540. These four communities are currently encumbered by mortgage debts. SNH will purchase these communities if and when these mortgage debts are prepaid or assumed on terms mutually acceptable to SNH, NewSeasons, IBC and the lenders, respectively. If all four of these communities are purchased, SNH's purchase price will be \$28.4 million, the communities will be added to the lease for the 10 properties and the rent payable will be increased pro rata to the purchase price paid.

Senior Housing Properties Trust is a real estate investment trust headquartered in Newton, Massachusetts, which owns independent living apartments, assisted living facilities, nursing homes and hospitals. SNH's 150 properties are located in 31 states.

WARNING REGARDING FORWARD LOOKING STATEMENTS

THE FOREGOING PRESS RELEASE CONTAINS FORWARD LOOKING STATEMENTS WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND THE FEDERAL SECURITIES LAWS. THESE FORWARD LOOKING STATEMENTS ARE BASED UPON SNH'S CURRENT BELIEFS AND EXPECTATIONS, BUT THEY MAY NOT OCCUR. FOR EXAMPLE, THE FACT THAT SNH, NEWSEASONS, AND IBC HAVE ENTERED AN AGREEMENT TO EXPAND THEIR BUSINESS MAY IMPLY THAT IT WILL EXPAND. HOWEVER, ACCEPTABLE TERMS WITH THE MORTGAGEE MAY NOT BE AGREED. ALSO, THE CLOSING OF ANY EXPANSION IS CONDITIONED UPON REAL ESTATE TYPE DILIGENCE CUSTOMARY IN PURCHASE AND LEASE TRANSACTIONS. FOR THESE REASONS OR OTHERWISE, THE BUSINESS EXPANSION MAY NOT OCCUR. INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE UPON FORWARD LOOKING STATEMENTS.