NEWS RELEASE

Chartwell Acquires Montreal Seniors Residence and Extends Mezzanine Financing for Three Development Projects

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MISSISSAUGA, ONTARIO--(CCNMatthews - Feb. 24, 2006) - Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) announced today that it has closed a transaction to acquire the Manoir Pierrefonds Nursing Home in Montreal, Quebec.

Manoir Pierrefonds is a private long-term care facility with 127 beds in 81 rooms located in a quiet residential neighbourhood on the West Island of Montreal, Quebec. Operating under license from the provincial government, the facility is close to all services and amenities as well as a major hospital. The property also includes two residential homes and land that could be severed and sold. It is one of only three private nursing homes on the West Island, one being the Chartwell-owned, Maison Herron.

The purchase price was approximately $13.2 million, including closing costs and a reserve for identified capital expenditures. The purchase price was settled by the assumption of a $7.8 million existing mortgage and cash.

Chartwell also announced today that it had agreed to extend mezzanine financing totaling approximately $7.1 million to Spectrum Seniors Housing Development LP for the development of three seniors housing facilities with total project costs of approximately $95 million:

- Chartwell Select Orangeville will be a 156 suite independent living facility situated on a 5 acre site west of the Town of Orangeville, Ontario in the new Montgomery Village neighbourhood. Looking out over a large parkland and conservation area, the residence will have access to a walking trail, a recreation centre and a new shopping centre. Chartwell is extending mezzanine financing of approximately $2.1 million to Spectrum, and will receive interest at

10% per annum as well as a development fee of $675,000. Project costs are estimated at $27.5 million, and Chartwell has the option to purchase the facility on completion and stabilization expected in late 2007.

- Chartwell Select Port Coquitlam will consist of a 146 suite independent living facility on 1.3 acres centrally located close to a wide range of services and amenities in Port Coquitlam, British Columbia. Chartwell is extending mezzanine financing of approximately $2.0 million to Spectrum, and will receive interest at 10% per annum and a development fee of $650,000. Project costs are estimated at $26.3 million. Chartwell has the option to purchase the facility on completion and stabilization expected in 2007.

- Spectrum will also be developing a 234 suite independent and assisted living facility situated on 4.4 acres in Victoria, British Columbia. Chartwell is extending mezzanine financing of approximately $3.1 million to Spectrum, and will receive interest at 10% per annum and a development fee of $1.0 million. Project costs are estimated at $41.0 million. Chartwell has the option to purchase a 50% interest in the facility on completion and stabilization expected in early 2008.

"Our goal in 2006 is to invest approximately over $625 million in acquisitions from third parties and Spectrum and approximately $40 million in new mezzanine financings, and with these transactions and full 2006 acquisition and development pipelines, we are off to a strong start," commented Stephen Suske, Vice Chair and President.

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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