NEWS RELEASE

Chartwell Announces Strong First Quarter 2007 Results

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MISSISSAUGA, ONTARIO -- (MARKET WIRE) -- 05/10/07 -- Chartwell Seniors Housing Real Estate Investment Trust (TSX: CSH.UN) announced today results for the three months ended March 31, 2007.

PROPERTY HIGHLIGHTS:

- Growing same property revenues and net operating income ("NOI") continues to strengthen all operating platforms

- Total same property revenues up 4.4%

- Retirement communities same property revenues increased 5.3%

- Retirement communities same property NOI up 5.6%

- Same property occupancies for the stabilized portfolio rose 1.2% to 94.3%

- Portfolio grows to 32,855 suites in 232 seniors communities as Chartwell builds for the future

- Property revenues up 96% due to significant portfolio growth

US HIGHLIGHTS:

- Closed the acquisition of Bristal portfolio on February 21st and Merrill Gardens on April 30th

- Increased size of US portfolio makes strong contribution to consolidated results

- Now third largest owner and operator of seniors housing in North America

FINANCIAL HIGHLIGHTS:

- Consolidated revenues up 89% on successful execution of focused growth strategies

- Mezzanine loan interest and fee income grew 24% and 15%, respectively

- General and administrative expenses reduced to 3.7% of revenues, down from 4.6% last year

- Normalized G&A expenses have been flat over the last three quarters despite Chartwell's significant growth

- Average term to maturity on mortgage portfolio increased to 8.3 years, up from 7.0 years on December 31, 2006

- Weighted average mortgage interest rate remains constant at 5.4%

Revenue Growth Continues

Total revenues increased 89% to $138.3 million for the three months ended March 31, 2007 compared to $73.2 million in the same quarter last year. Property revenues were up 96% due primarily to the $55.7 million contribution in revenue from the acquisition of 12,655 suites since January 1, 2006, and a 4.4% increase in same property revenues resulting from organic growth initiatives, increased rents, new resident services, and stable average occupancies of 92.8% compared to the prior year.

Chartwell's total portfolio, including suites owned, managed, in lease-up, or in various stages of development grew to interests in 32,855 suites in 232 retirement communities as at March 31, 2007. Its owned and leased portfolio grew to interests in 23,621 suites in 167 communities at March 31, 2007. Occupancies for the existing stabilized portfolio, excluding internal growth suites, increased by approximately 1.2% to 94.3%.

Mezzanine loan interest in the first quarter ended March 31, 2007 increased 24% compared to the same period last year due to higher loan balances outstanding in 2007.

Fee income on a gross basis for the first quarter of 2007 rose to $4.6 million from $4.0 million last year due primarily to higher due diligence project management fees earned as a result of the increase in size of Chartwell's US portfolio.

"We have generated significant growth through 2006 and the first quarter of 2007, further strengthening the depth and breadth of our property portfolio," commented Stephen Suske, Vice Chair and Co-CEO. "We are confident we will continue to build on this highly valuable platform going forward while at the same time maintaining our rigorous focus on delivering the highest levels of care and service to our residents."

"More importantly, we recently completed a detailed five year plan which clearly demonstrates that by continuing execution of our acquisition and development strategies, Chartwell is moving well along in its primary goal of matching AFFO with distributions," Mr. Suske added.

Solid Operating Performance

For Chartwell's Canadian retirement operations, same property net operating income rose 5.6% in the first quarter of 2007 compared to the prior year due primarily to annual rent increases, the introduction of new resident services, cost saving initiatives and internal growth programs. Chartwell recently implemented a yield management program in its retirement home portfolio to bring its rents to market on suite turnover. Management believes this new initiative will result in further increases in average rents going forward.

For Chartwell's Canadian long-term care operations, same property net operating income declined 15.5% in the first quarter of 2007 due to higher utility costs and certain one-time costs of approximately $0.2 million related to inventory adjustments and the timing of government funding increases.

"The first quarter is always the most challenging in this aspect of our business," commented Brent Binions, Senior Executive Vice President, responsible for the REIT's Long-Term Care operations. "Increased envelope funding announced in the second quarter and continued management of envelope spending will enable the LTC portfolio to meet its budget for the full year."

Mr. Binions went on to say: "We are pleased to announce that our Regency Care transaction is expected to close early in June. This high quality portfolio will significantly add to our LTC performance going forward."

Acquisitions in the Canadian retirement operations and long-term care operations contributed approximately $6.6 million in additional net operating income in the first quarter of 2007.

Chartwell's growing US operations contributed $16.6 million to first quarter 2007 net operating income. Same property net operating income in the US portfolio was consistent with the prior year, while occupancies rose marginally to 92.4% from 91.8% last year.

General and Administrative ("G&A") expenses increased in the first quarter of 2007 compared to the prior year

primarily due to the increased size and scale of Chartwell and its property portfolio, as well as costs of $0.7 million for due diligence expenses for acquisitions not completed and for advisory services and other costs related to the Board of Trustees' Special Committee. However, as a percentage of revenues G&A expenses declined to 3.7% in the quarter from 4.6% last year. Management believes G&A costs as a percentage of revenues will be approximately 3.5% for the full year and will continue to trend downward in 2008.

"We are pleased with the dramatic improvement in the management of G&A expenses," said Mr. Suske. "Not including the Board's Special Committee expenses, G&A in absolute dollars has been flat for the past three quarters."

Funds from Operations ("FFO") were $13.9 million ($0.17 per diluted Unit) in the first quarter of 2007 compared to $14.5 million ($0.26 per diluted Unit) in the same period last year. In the first quarter of 2007 Chartwell acquired a 49% interest in Horizon Bay Realty LLC ("HB Realty") which owns leased interests in 25 seniors housing communities in the United States. With this acquisition, Chartwell incurred a loss for FFO purposes in the quarter of approximately $3.5 million resulting from straight line adjustments of lease expense and a deferral of non-refundable community fee revenue received. HB Realty's results were also impacted by a lower than expected contribution from its management operations primarily due to higher operating expenses incurred in order to provide appropriate infrastructure to support growth in Chartwell's US portfolio.

FFO was also negatively impacted by delays in the completion of the Bristal portfolio acquisition, which closed on February 21, 2007, and the resulting dilution from the Trust Units issued pursuant to our November Offering.

In addition, certain of the communities acquired in the fourth quarter of 2006 and the first quarter of 2007 were in lease-up during the period and did not produce expected returns. The lease-up and the repositioning programs are progressing well and management expects that the contribution from these communities will increase through the balance of the year. Finally, FFO in the first quarter of 2007 included an unrealized foreign exchange loss of $0.6 million.

"On a normalized basis, our FFO would have been $0.23 per unit if you excluded the effect of straight lining of lease expense ($0.03 per unit), the deferral of non-refundable community fee revenue ($0.015 per unit), the unrealized foreign exchange loss ($0.005 per unit) and one time charges related to the REIT's Special Committees ($0.005 per unit)," added Vlad Volodarski, CFO of the REIT.

Beginning with the first quarter of 2007, Chartwell is reporting Adjusted Funds from Operations ("AFFO"), which is FFO adjusted for straight line adjustments to lease expense, the amortization of below-market leases, the principal portion of capital subsidies receivable, amounts received under net operating income guarantees, the amortization of debt mark-to-market adjustments and deferred financing costs, financing cost reserve, unrealized foreign

exchange gains and losses, and capital maintenance reserves.

For the three months ended March 31, 2007, AFFO was $15.0 million ($0.18 per diluted Unit) compared to $12.8 million ($0.23 per diluted Unit) last year. AFFO in the first quarter of 2007 was impacted by lower than expected results for HB Realty, delays in the completion of acquisitions, and the impact of certain recently acquired properties in lease-up and repositioning referred to above.

Distributable Income ("DI") in the first quarter of 2007 was $17.9 million ($0.21 per diluted Unit) compared to $13.9 million ($0.25 per diluted Unit) last year. Chartwell declared cash distributions of $22.0 million ($0.27 per diluted Unit) in the first quarter of 2007. The net loss in the first quarter of 2007 was $9.1 million ($0.12 per diluted Unit) compared to $1.6 million ($0.03 per diluted Unit) last year.

"This quarter we are pleased with the solid performance of the property portfolio across all of our platforms," Cam Crawford, COO of the REIT commented. "Occupancies have increased and properties are performing on budget. We are particularly pleased with the significant improvements to our G&A expense management."

Strong Financial Position

Chartwell's balance sheet remained strong at the end the first quarter of 2007. As at March 31, 2007, Chartwell's leverage of debt to the gross book value of its assets was 54.6%. At its Annual Meeting to be held on May 22, 2007 Unitholders will be asked to approve a change in the definition of indebtedness and the gross book value of assets to exclude deferred consideration related to the acquisition of properties. Excluding this consideration, Chartwell's leverage ratio would have been 53.2% at March 31, 2007. If leverage were to be increased to the maximum 60% allowed under its Declaration of Trust, Chartwell would have the capacity to acquire approximately $313.0 million of additional assets without the need for further equity financing. The average term to maturity for its mortgage portfolio was 8.3 years with a weighted average interest rate of 5.4%.

Growth to Continue

During the first quarter of 2007 Chartwell acquired interests in 36 seniors housing communities containing 6,935 suites for an aggregate purchase price of approximately $304.1 million. In addition, it extended mezzanine loans to its development partners of approximately $3.9 million. As a result of its considerable growth, Chartwell is Canada's largest owner and operator of seniors housing facilities and the third largest in North America.

Subsequent to the end of the first quarter, Chartwell acquired interests in 27 seniors housing communities containing 2,636 suites through transactions with a total value of approximately $418.3 million, and advanced mezzanine loans of approximately $1.0 million.

"We were very pleased to have closed on the Merrill Gardens transaction on April 30th," commented Robert Ezer, President and Co-CEO. "The Merrill Gardens communities are an outstanding addition to our growing U.S. platform. With this acquisition, we are now the third largest owner and operator in North America. These properties compliment our strong existing US east coast presence and will allow us to leverage our infrastructure investment in Horizon Bay Chartwell to generate enhanced returns over the long term. "

Financial Highlights:

Three Months Ended March 31, ($,000 except per unit amounts)	2007	2006
Revenues:		
Property Revenue	128,868	65,688
Mezzanine Loan Interest	3,357	2,308
Fees	3,866	3,974
Other Income	2,251	1,199
Total Revenues	138,342	73,169
Net Loss	(9,130)	(1,643)
Net Loss per Unit (diluted)	$(0.12)	$(0.03)
Funds from Operations(1)	13,914	14,512
Funds from Operations per Unit (diluted)(1)	$0.17	$0.26
Funds from Operations Payout Ratio(1)	158%	102%
Adjusted Funds from Operations	15,005	12,847
Adjusted Funds from Operations per Unit (diluted)	$0.18	$0.23
Adjusted Funds from Operations Payout Ratio	147%	115%
Distributable Income	17,917	13,889
Distributable Income per Unit - diluted	$0.21	$0.25
Distributions declared	21,995	14,783
Distributions declared per Unit - diluted	$0.27	$0.27
Weighted Avg Units Outstanding (diluted)	83,353	56,139

(1)Includes effect of straight line lease expense of $2,351 in 2007 and nil in 2006

Chartwell's financial statements, including its Management's Discussion and Analysis, are available at **www.chartwellreit.ca**. A detailed list of Chartwell's property portfolio can also be obtained under "Property List" in the "Investor Relations" section of the web site.

Chartwell is a growth-oriented investment trust 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 grow internally and through accretive acquisitions. Chartwell also has an exclusive option to purchase stabilized communities from Spectrum, Canada's largest and fastest growing 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**.

Distributable Income, Funds from Operations, Adjusted Funds from Operations and Net Operating Income are not measures recognized under GAAP and do not have a standardized meaning prescribed by GAAP. They are presented because management believes these non-GAAP measures are relevant measures of Chartwell's performance and ability to earn and distribute cash returns to Unitholders. Distributable Income, Funds from Operations and Net Operating Income as computed by Chartwell may differ from similar computations as reported by other organizations and, accordingly, may not be comparable to those reported by such organizations. Detailed descriptions of these terms and reconciliation of Distributable Income and Funds from Operations to GAAP measures are contained in Chartwell's Management Discussion and Analysis, available at **www.sedar.com**.

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