NEWS RELEASE

Chartwell Announces Strong Growth in 2006

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MISSISSAUGA, ONTARIO--(CCNMatthews - March 8, 2007) - Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) announced today results for the three months and year ended December 31, 2006.

FOURTH QUARTER HIGHLIGHTS:

- Consolidated revenues up 40.5%
- Property revenues up 44.4% due to accretive acquisitions, higher occupancies and rents
- Same property revenue up 5.5%
- Same property net operating income ("NOI") up 3.6%
- Funds from Operations ("FFO") up 4.1%
- Same property occupancies up to 94.2% from 92.9% last year

2006 YEAR HIGHLIGHTS:

- Consolidated revenues up 56.1%
- Property revenues up 57.9%
- Same property revenue up 5.7%
- Same property NOI up 7.4%
- FFO increases 43.6% and FFO per unit increases 2.2% to $0.91 per unit
- Same property occupancies increase to 93.4% from 91.9% in 2005
- Acquired interests in 37 communities including 5,720 suites for $615

million

- Subsequent to year-end, acquired interests in a further 35 facilities

including 6,855 suites for $279 million

Revenue Growth Continues

Total revenues increased 40.5% to $100.8 million for the three months ended December 31, 2006 compared to $71.7 million last year. For the year ended December 31, 2006 total revenues rose 56.1% to $350.6 million from $224.6 million last year.

Property revenues were up 44.4% in the fourth quarter of 2006 due primarily to the $51.4 million contribution in revenue in the fourth quarter from the acquisition of 65 properties since January 1, 2005, and a 5.5% increase in same property revenues resulting from organic growth initiatives, increased rents, new resident services, and an increase in average occupancies to 94.2% compared to 92.9% last year.

For the year ended December 31, 2006, property revenues rose 57.9%, including a $155.1 million contribution from acquisitions, a 5.7% increase in same property revenues, and improved average rents and occupancies. The weighted average occupancy for the year ended December 31, 2006 was 93.4% compared to 91.9% in the prior year.

Chartwell's total portfolio, including suites owned, managed, in lease-up, or in various stages of development grew to interests in 25,429 suites in 195 facilities as at December 31, 2006. Chartwell's owned portfolio grew to interests in 16,501 suites in 131 facilities at December 31, 2006.

Mezzanine loan interest in the fourth quarter and year ended December 31, 2006 increased 34.9% and 31.8%, respectively, compared to the same periods last year due to higher loan balances outstanding in 2006.

Fee income for the fourth quarter of 2006 was lower compared to the same prior year period, primarily due to lower development management and financing fees from Spectrum Seniors Housing Development LP ("Spectrum") and Melior Developments Inc. ("Melior"). Fee income for the year ended December 31, 2006, rose 36.5% compared to the prior year due primarily to the contribution from Chartwell's new agreement to provide project management due diligence and asset management services to its partner ING Real Estate Australia ("ING") related to US acquisitions, and the increased level of development activity by Spectrum, Melior and their joint venture partners.

"2006 was another year of record growth for Chartwell as we met our portfolio expansion objectives. At the same

time, our operating performance also improved as we generated solid increases in occupancies and average rents, the result of our ongoing commitment to the care and service of our residents," commented Stephen Suske, Vice Chair and Co-CEO. "Our same property revenue and NOI growth demonstrates that our property results are strong and will be the basis for our continued growth."

Solid Operating Performance

For Chartwell's Canadian retirement operations, same property net operating income rose 4.8% in the fourth quarter and 5.9% for the year ended December 31, 2006 due primarily to higher occupancies, the introduction of new resident services, annual rent increases, cost saving initiatives and internal growth programs.

For Chartwell's Canadian long-term care operations, same property net operating income declined marginally in the fourth quarter of 2006 and rose 24.4% for the year due primarily to improved occupancies across the long-term care portfolio and higher preferred accommodation revenue.

Acquisitions in the Canadian retirement operations and long-term care operations contributed approximately $7.7 million and $1.9 million respectively in additional net operating income in the fourth quarter of 2006. For 2006, acquisitions contributed $22.4 million and $6.1 million in the Canadian retirement home and long-term care operations respectively.

Chartwell's US operations contributed approximately $5.7 million to fourth quarter net operating income and $20.1 million for the year. Net operating income margin for the U.S. operations was 34.4% and 38.0% for the three months and year ended December 31, 2006, respectively, slightly lower than last year's net operating income margins due to the fact that properties acquired in 2006 include a higher service component.

"Our expanded geographic diversification into the US has made a significant contribution to our net operating income growth" said Mr. Suske. "Including transactions closed in 2006 and subsequent to year-end, the US now represents 30% of our total portfolio of owned, managed and/or suites under development and we expect this to grow in 2007."

General and Administrative ("G&A") expenses have increased in 2006 in absolute terms primarily due to the increased size and scale of Chartwell and its property portfolio, as well as higher regulatory compliance costs primarily associated with Bill 198 requirements compared to the prior year. Chartwell also expensed $0.6 million through the year related to due diligence costs incurred on potential acquisitions that it decided not to pursue.

Notwithstanding these increased costs, G&A expenses in 2006 as a percentage of revenues was 4.8%, which remains within management's targets. While management anticipates that G&A expenses will continue to rise

primarily due to Chartwell's continued growth, management is targeting G&A expenses as a percentage of revenue trending downward to the 4% level in 2007.

FFO increased 4.1% in the fourth quarter of 2006 to $13.6 million from $13.0 million for the same period in 2005 due primarily to the significant growth in revenues. However, per Unit amounts decreased to $0.18 per diluted Unit from $0.23 per diluted Unit last year, primarily due to the negative impact the October 31, 2006 federal government announcement relating to proposed changes to the taxation of income trusts had on the timing of our November financing. For the year ended December 31, 2006, FFO rose 43.6% to $60.2 million or $0.91 per diluted Unit from $42.0 million or $0.89 per diluted Unit in the prior year.

"The October 31 announcement by the federal government unfortunately had a negative impact on our Q4 results," Mr. Suske commented. "The announcement caused a delay to our November financing, which had a cascading impact on the timing of the closings of our announced acquisitions, the receipt of related project management due diligence fees from ING, and delays in development related fee income. Combined with the cost of an expensive bridge loan to close some of these acquisitions, the result was approximately a seven cent drop in FFO per unit. Fortunately, 2007 will be the beneficiary of these 2006 delays as all these acquisitions have now closed and the fees have been earned."

Distributable Income ("DI") in the fourth quarter of 2006 was $13.5 million or $0.18 per diluted Unit compared to $15.3 million or $0.27 per diluted Unit last year. For the year ended December 31, 2006, DI rose 21.2% to $60.8 million or $0.92 per diluted Unit from $50.2 million or $1.07 per diluted Unit last year. DI per Unit amounts in 2006 were negatively impacted by lower contractually received fees resulting from the delay in new development projects ($0.09 per Unit), and lower receipts from net operating income guarantees in 2006 ($0.01 per Unit).

Per Unit amounts in 2006 were also impacted by the 33.2% and 40.8% increase in the weighted average number of Units outstanding in the fourth quarter and year ended December 31, 2006, respectively, compared to the same periods last year, and by delays in the deployment of funds raised in two offerings of Trust Units during the year. "Due to our rapid pace of growth, these delays are a normal occurrence," commented Mr. Suske.

"We were pleased to have generated an increase in FFO per Unit in 2006 despite the significant 41% increase in Units outstanding during the year," Mr. Suske continued. "Looking ahead, we are confident our accretive growth will accelerate as we have now fully invested the funds from our recent offerings and we intend to capitalize on the operating synergies and economies of scale resulting from the continued expansion of our portfolio."

Chartwell declared cash distributions of $20.6 million or $0.27 per diluted Unit in the fourth quarter and $71.1 million or $1.065 per diluted Unit in the year ended December 31, 2006. Chartwell's FFO payout ratio improved to 118% for the year ended December 31, 2006 from 120% last year and a further improvement in this ratio is

expected this year.

The net loss in the fourth quarter of 2006 was $6.9 million or $(0.10) per diluted Unit compared to $6.0 million or $(0.14) per diluted Unit last year. For 2006 the net loss was $14.7 million$(0.25) per diluted Unit as compared to a net loss of $11.7 million or $(0.31) per diluted Unit last year.

Strong Financial Position

Chartwell's balance sheet strengthened at the end the fourth quarter of 2006 compared to the same time last year. As at December 31, 2006, Chartwell's debt leverage was 51.1% . If leverage were to be increased to the maximum 60% allowed under its Declaration of Trust, Chartwell would have the capacity to acquire approximately $475.8 million of additional assets without the need for further equity financing. The average term to maturity for its mortgage portfolio was 7.0 years with a weighted average interest rate of 5.4%.

Chartwell also announced today details regarding the tax status of its cash distributions to Unitholders for 2006. Of the total distributions in 2006, 16.64% is to be allocated to income and 83.36% as a return of capital. For further details on Chartwell's tax deferral for 2006, please refer to its website at **www.chartwellreit.ca**.

Growth to Continue

During 2006 Chartwell acquired interests in 37 seniors housing facilities containing 5,720 suites for an aggregate purchase price of approximately $614.6 million. In addition, it extended mezzanine loans to its development partners of approximately $30.1 million. As a result of its considerable growth in 2006, Chartwell was transformed into Canada's largest owner and operator of seniors housing facilities and the fifth largest in North America.

Subsequent to the end of the fourth quarter, Chartwell acquired interests in 35 seniors housing facilities containing 6,855 suites through transactions with a total approximate value of $447.9 million.

"The seniors housing sector remains highly fragmented on both sides of the border, and we are confident our track record of rapid growth will continue," commented Robert Ezer, President and Co-CEO. "In three short years, we have created a dynamic, world-class seniors housing platform, which has become very valuable given recent valuations in the sector."

Tax Fairness Plan

Following the original announcement on October 31, 2006, the Minister of Finance (Canada) released on December 21, 2006 draft legislation relating to proposed changes to the taxation of income trusts for Canadian federal income

tax purposes. Based on the REIT qualification rules as proposed, Chartwell is of the view that, as it is currently structured and based on its present location of assets and sources of income, it would not qualify as a REIT and would be subject to the proposed income trust tax.

In light of these proposed tax changes, the Board of Directors of Chartwell set up a special committee (the "Special Committee") to review Chartwell's strategic options that would maximize Unitholder value. The Special Committee received advice from its advisors and has considered various alternatives. At this time, Chartwell will continue with its current business plan, including growth in the Canadian and United States markets. The final form of the legislation, however, may change or the legislation may not be passed, thus the Special Committee and Chartwell will continue to monitor announcements relating to the proposed taxation of income trusts and market events as they unfold.

Chartwell's continued growth plans will likely result in Chartwell exceeding the Safe Harbour Limits, as set out in the Growth Guidelines published by the Minister of Finance (Canada) on December 15, 2006. If the proposed tax on income trusts become legislation, this will result in Chartwell becoming taxable as a specified investment flow-through trust. In such case, based on Chartwell's structure and operations and its understanding of the Proposals, the estimated trust tax per Unit may fall within a range of $0.00 to $0.05 for each of 2007 and 2008. As indicated in Chartwell's November 2006 press release, this estimated tax per unit will not have a material after-tax impact on the cash position of taxable investors owing to the integration of the Canadian tax system (i.e. dividend gross-up and tax credit mechanism). Chartwell considers that this likely tax impact would be less material than failing to take advantage of the many growth opportunities currently available in the marketplace that would maximize Unitholder value.

Financial Highlights: ---------- ---------- ----------

	Three Months		Year	
Period Ended December 31,				
($,000 except per unit amounts)	2006	2005 (restated)	2006	2005 (restated)
Revenues:				

Property Revenue	94,058	65,135	321,016	203,345
Mezzanine Loan Interest	2,798	2,074	10,361	7,859
Fees	1,833	3,507	12,487	9,148
Other Income	2,101	995	6,711	4,275
Total Revenues	100,790	71,711	350,575	224,627
Net Loss	(6,906)	(5,968)	(14,698)	(11,670)
Net Loss per Unit (diluted)	(0.10)	(0.14)	(0.25)	(0.31)
Funds from Operations	13,574	13,038	60,249	41,956
Funds from Operations per Unit (diluted)	$ 0.18	$ 0.23	$ 0.91	$ 0.89
Funds from Operations Payout Ratio	152%	113%	118%	120%
Distributable Income	13,528	15,302	60,824	50,191
Distributable Income per Unit - diluted	$ 0.18	$ 0.27	$ 0.92	$ 1.07
Distributions declared	20,627	14,775	71,122	50,457
Distributions declared per Unit - diluted	$ 0.27	$ 0.27	$ 1.07	$ 1.07
Weighted Avg Units Outstanding (diluted)	74,667,500	56,062,225	66,299,779	47,083,113

Chartwell's 2006 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 now the 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 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 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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