NEWS RELEASE

Chartwell REIT Announces $52 Million in New Acquisitions, Mezzanine Financings and Internal Growth Projects

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MISSISSAUGA, ONTARIO -- (MARKET WIRE) -- 01/16/07 -- Chartwell Seniors Housing Real Estate Investment Trust (TSX: CSH.UN) announced today approximately $52 million in new acquisitions, mezzanine financings and internal growth projects. With the completion of these and previously announced transactions, Chartwell will hold interests in 34,082 suites in 240 properties, strengthening its position as Canada's largest owner and operator of seniors communities and fifth largest in North America.

Chartwell has closed the acquisition of the 113 suite Oak Park La Salle Retirement Residence located in the town of La Salle in southwestern Ontario. Amenities include a 24 hour cafe, movie theatre, games room, chapel, library and three landscaped courtyards with an outdoor patio off the dining room. The REIT acquired a 100% ownership in the property from Spectrum Seniors Housing Development LP and its joint venture partners. Chartwell has been actively managing the residence since it opened in September 2005. The property is stabilized with the occupancies in excess of 90%. The purchase price was approximately $22.0 million.

Chartwell further solidified its position as British Columbia's largest owner and operator of seniors communities with the acquisition of a 50% interest in the Peninsula Retirement Residence in White Rock, south of Vancouver. The property is a three-storey independent living retirement residence comprising 127 suites. Offering an abundance of amenities including a library, card room, lounge bar, business centre, exercise room, pool and movie theatre, the property has been fully stabilized since its opening in February 2006. Chartwell acquired its 50% interest from Spectrum for approximately $14.6 million.

Chartwell also enhanced its pipeline of future acquisition opportunities by extending a total of approximately $5.5 million in mezzanine financing to its third-party development partners:

- Approximately $4.3 million will be extended to Spectrum and Melior for the development of Cite Jardin Phase V, a 180 suite retirement community in Gatineau, Quebec. Phase I and II of the project are presently 100% owned by Chartwell. Two other phases of the development project are currently underway or in lease-up. Phase V, the final phase of this complete campus of care, is estimated to be ready for occupancy in February 2008. Chartwell already owns two other retirement communities in the Gatineau area. In addition to the interest on its loan, Chartwell will receive an upfront mezzanine placement fee of approximately $0.7 million.

- An increase of approximately $0.4 million in mezzanine financing to Spectrum was extended to Spectrum for the development of the Chartwell Select Oakville independent living retirement residence. Approvals have been received to increase the facility to 147 suites from the 124 suites originally contemplated.

- An increase of $0.8 million in mezzanine financing was also extended to Spectrum and its joint venture partner for the development of Phase II of the Willow Manor independent living retirement residence in Maple Ridge, British Columbia. The increase will allow the addition of 22 new funded assisted living beds in the facility, currently under development.

Finally, Chartwell announced that it would invest approximately $3.1 million to add 75 long-term care suites and a small chapel in a new five-storey building attached to Manoir Pierrefonds, a well-located skilled nursing residence on Montreal's west island. The property was originally acquired by Chartwell in February 2006. The total cost of this internal expansion project, including upgrades to the current facilities, will be approximately $9.8 million.

"We are off to a strong start in the new year after investing approximately $950 million in acquisitions in 2006," commented Stephen Suske, Vice Chair and President. "Looking ahead, we will continue to expand our portfolio through accretive transactions that increase cash flow and enhance the value of our portfolio."

Chartwell REIT is a growth-oriented investment trust owning and managing a complete spectrum of seniors 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 REIT also has an exclusive option to purchase stabilized communities from Spectrum Seniors Housing Development LP, 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**.

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