NEWS RELEASE

Chartwell REIT Announces Closing of U.S. Acquisitions

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MISSISSAUGA, ONTARIO -- (MARKET WIRE) -- 05/15/06 -- Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) announced today that it had completed the previously announced acquisition of a 50% interest in two portfolios of high quality retirement home facilities located in the United States. The other 50% interest was purchased by Chartwell's joint venture financial partner, ING Real Estate Australia. The properties will be managed by Horizon Bay Chartwell, the REIT's joint venture property management company in the United States. All of the facilities are 100% private pay independent living with no reliance on government funding.

The Cypress Senior Living portfolio is comprised of 818 independent living suites in four facilities located in Michigan, Tennessee, Alabama and Oklahoma. The properties were opened in 2001 and 2002. The purchase price for 100% of the portfolio was US $128.2 million financed with US$92 million in new 10-year mortgages with an average interest rate of approximately 6.265%.

The Aspen Retirement Communities portfolio an affiliate of The Broe Companies, Inc., consists of 1,365 independent living and assisted living suites in eight facilities located in Florida, Virginia, Colorado and Ohio. The Virginia residence has the potential to expand by 95 suits to further enhance future cash flow. The purchase price for 100% of the portfolio was approximately US $180 million, financed with US$130.2 million in new 10-year mortgages with an average interest rate of approximately 6.34%.

"We are very pleased to be increasing our U.S. portfolio in markets that continue to demonstrate strong demand and excellent fundamentals," commented Stephen Suske, Vice Chair and President. "Most importantly, these acquisitions will be immediately and highly accretive to our cash flow as they do not materially impact our corporate overhead costs."

Chartwell will receive Project Management Due Diligence fees amounting to approximately US $770,500 from ING Real Estate Australia related to these transactions. In addition, Chartwell will receive our standard asset management fees from them. Horizon Bay Chartwell, our 50% owned management company, will manage the portfolios for a base management fee equal to 4% of gross revenues, plus an incentive fee based on performance.

With the completion of these transactions, and other previously-announced acquisitions to be closed this quarter, Chartwell's total property portfolio, including managed properties and facilities under development, will consist of 23,222 suites in 188 facilities. Approximately 16% of the total portfolio will be in the United States. The REIT's owned portfolio will have grown to 13,832 suites in 120 facilities.

Additional information about the two acquired U.S. portfolios can be found on Chartwell's web site at **www.chartwellreit.ca** under the tab: Recent U.S. Acquisitions.

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, 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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