NEWS RELEASE

Chartwell REIT Announces New Acquisitions, Mezzanine Financings And Internal Growth Projects

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MISSISSAUGA, ONTARIO--(CCNMatthews - July 28, 2006) - Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) announced today that it had approved investments with a total cost of approximately $84.1 million in various new acquisitions, mezzanine financings and internal growth projects.

Chartwell will acquire Elizabeth Towers, a 104 suite assisted-living retirement home and seniors apartment complex located in St. John's, Newfoundland. The property includes approximately 1.5 hectares of land and 33,700 square feet of commercial space, currently 100% leased under long-term agreements with such tenants as a medical clinic, pharmacy, fitness centre and other appropriate services.

The purchase price will be approximately $24.7 million plus closing costs. A new seven-year mortgage of $16.1 million with an interest rate of 4.72% will be put in place on closing, anticipated in early August 2006.

This acquisition, combined with the nearby 116-suite King William Village, a Chartwell Classic residence currently under development by Spectrum Seniors Housing Development LP ("Spectrum") and the Crosbie Group, will form a solid operating platform on which the REIT will expand in the vibrant Atlantic Canada market.

Chartwell, through its joint venture with ING Real Estate Australia ("ING"), will also acquire Lake Worth Gardens, a 170 suite seniors independent living community located in Lake Worth, Florida. Lake Worth, situated in Palm Beach County, is one of the fastest growing metropolitan areas in the United States, and is recognized as one of the nation's best locations for new business ventures. Chartwell's joint venture US property management company, Horizon Bay Management, has been managing the property since January 2005. Chartwell and ING will each acquire a 50% interest in this high quality facility.

The total purchase price will be approximately Cdn $22.0 million plus closing costs and a 10 year mortgage of approximately Cdn $15.4 million with an interest rate of 6.68% will be placed on the project on closing. Closing is expected in early August 2006.

In addition, Chartwell will extend a mezzanine loan of $4.5 million to its joint venture partners, Spectrum and Melior Development Ltd., for the construction and lease-up of 175 new independent living suites in Gatineau, Quebec. This $22.6 million project, Cite Jardin Phase IV, will be built on land adjacent to the existing Cite Jardin towers (Phase I and II) acquired by the REIT in July 2004. Chartwell will receive interest on its mezzanine loan of 10% per annum, as well as an upfront placement fee of $780,000.

The new development project is expected to be completed and fully stabilized in September 2009. The current Cite Jardin Phase III development project consisting of 173 new suites opened this summer with over 90% of the suites spoken for and is expected to be offered to Chartwell for purchase in the fall of 2006.

A new internal growth project was also approved. The REIT will make an equity investment of approximately $3.9 million in the expansion of Residence Ste-Marthe in Saint-Hyacinthe, Quebec. Originally a religious convent, the project will add 131 new suites to the existing 67 suite facility. The completion of the project is estimated in late 2007 for a total cost of approximately $14.8 million.

"The pace of our acquisition, development and internal expansion activities continues to accelerate, and we anticipate that we will easily exceed our acquisition targets by the end of the year," 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, 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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