NEWS RELEASE

Chartwell REIT Announces Strong Third Quarter 2006 Results

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MISSISSAUGA, ONTARIO--(CCNMatthews - Nov. 8, 2006) - Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) announced today results for the three and nine months ended September 30, 2006.

THIRD QUARTER HIGHLIGHTS:

- Significant acquisitions transform Chartwell into Canada's largest owner and operator of seniors housing facilities

- Total revenues up 57.2%

- Property revenues up 57.1% due to accretive acquisitions, higher occupancies and rents

- Total same property revenue up 6.5%

- Total same property net operating income ("NOI") up 10.6%

- Total same property NOI from retirement homes up 8.8%

- Total same property NOI from long term care operations up 32.8%

- US property results continue to exceed underwriting proformas

- Funds from Operations ("FFO") up 72.2%

- FFO payout ratio improves from 133% to 104%

- Average occupancies up to 93.9% from 91.8% last year

- Mezzanine loan interest and fee income up 36.7% and 98.5% respectively

Revenue Growth Continues

Total revenues increased 57.2% to $94.7 million for the three months ended September 30, 2006 compared to $60.3 million last year. For the first nine months of 2006 total revenues rose 63.3% to $249.8 million from $152.9 million last year.

Property revenues were up 57.1% in the third quarter of 2006 due primarily to the $44.9 million contribution in revenue from the acquisition of 56 properties since January 1, 2005, and a 6.5% increase in same property revenues resulting from organic growth initiatives, increased rents, new resident services, and an increase in average occupancies to 93.9% compared to 91.8% last year. For the nine months ended September 30, 2006, property revenues rose 64.2%, including a $103.8 million contribution from acquisitions, a 6.7% increase in same property revenues, and improved average rents and occupancies.

Chartwell's total suite portfolio, including suites owned, managed, in lease-up, or in various stages of development grew to 23,874 suites in 190 facilities as at September 30, 2006. The REIT's owned portfolio grew to 14,561 suites in 122 facilities at September 30, 2006.

Mezzanine loan interest in the third quarter and first nine months of 2006 increased 36.7% and 30.7% respectively compared to the same periods last year due to higher loan balances in 2006 resulting from an increased level of development activity by Spectrum, Melior and their joint venture partners.

Fee income for the three and nine months ended September 30, 2006 rose 98.5% and 88.9% respectively compared to the same prior year periods due primarily to the contribution from the REIT's new agreement to provide due diligence project management and asset management services to its partner ING Real Estate Australia related to US acquisitions, and the increased level of development activity by Spectrum, Melior and their joint venture partners.

"We were pleased to have generated solid increases in occupancies and average rents in the quarter as our unrelenting commitment to the care and service of our residents continues to attract seniors seeking the quality of life our facilities offer," commented Stephen Suske, Vice Chair and President.

Solid Operating Performance

For Chartwell's retirement operations, same property net operating income rose 8.8% in the third quarter and 7.3% for the first nine months of 2006 due primarily to higher occupancies, the introduction of new resident services, annual rent increases, cost saving initiatives implemented over the last year, and internal growth programs. For the REIT's long-term care operations, same property net operating income rose 32.8% in the third quarter of 2006 and 11.9% for the first nine months of 2006 due primarily to improved occupancies across the long-term care portfolio. Acquisitions in the retirement operations and long-term care operations contributed approximately $5.8 million and $1.7 million respectively in additional net operating income in the third quarter of 2006. For the nine months ended September 30, 2006, acquisitions contributed $14.7 million and $4.3 million in the retirement home and long-term care operations respectively.

The REIT's new US operations contributed approximately $6.3 million to the third quarter net operating income and $14.4 million for the first nine months of 2006. Net operating income margin for the U.S. operations was 37.6% and 39.7% for the three and nine months ended September 30, 2006 respectively, in line with management's expectation. Management expects the profit contribution from its growing base of US facilities will remain strong.

"Our growth strategies, both through acquisition and internally, combined with our focus on cost reductions, continues to deliver benefits to our Unitholders," Mr. Suske added.

General and Administrative ("G&A") expenses have increased in 2006 due primarily to the increased size and scale of the REIT and its property portfolio, as well as higher regulatory compliance costs primarily associated with Bill 198 requirements for 2006 compared to the prior year. The REIT also expensed $0.4 million through the first nine months of 2006 related to due diligence costs incurred on potential acquisitions that it decided not to pursue. Despite these costs, year-to-date G&A expenses as a percentage of revenues remained within management's targets. While management anticipates that G&A expenses will continue to rise primarily due to the REIT's continued growth, management is targeting G&A expenses in the 4% to 5% of revenues going forward.

FFO increased 72.2% in the third quarter of 2006 to $17.7 million or $0.25 per diluted Unit from $10.3 million or $0.21 per diluted Unit last year. For the nine months ended September 30, 2006 FFO rose 61.4% to $46.7 million or $0.74 per diluted Unit from $28.9 million or $0.66 per diluted Unit in the prior year. DI rose 21.4% in the third quarter of 2006 to $17.1 million or $0.24 per diluted Unit from $14.1 million or $0.28 per diluted Unit last year. For the nine months ended September 30, 2006 DI rose 36% to $47.3 million or $0.75 per diluted Unit from $34.9 million or $0.79 per diluted Unit in the prior year. Per Unit amounts in 2006 were impacted by the 40.2% and 44.1% increase in the weighted average number of Units outstanding in the third quarter and first nine months of 2006 respectively compared to the same periods last year.

The REIT declared cash distributions of $18.5 million or $0.26 per diluted Unit in the third quarter and $50.5 million

or $0.80 per diluted Unit in the nine months ended September 30, 2006. Chartwell's FFO payout ratio improved significantly to 104% in the third quarter of 2006 from 133% last year. For the nine months ended September 30, 2006 the FFO payout ratio was 108% compared to 123% last year.

The net loss in the third quarter of 2006 increased to $2.9 million or $(0.046) per diluted Unit from $2.3 million or $(0.052) per diluted Unit last year. For the nine months ended September 30, 2006 the net loss was $7.8 million $(0.138) per diluted Unit as compared to a net loss of $5.7 million or $(0.150) per diluted Unit in the same period last year.

Strong Financial Position

Chartwell's balance sheet strengthened at the end the third quarter of 2006 compared to the same time last year. As at September 30, 2006 debt leverage stood at 55.8%. If leverage were increased to the maximum 60% allowed under its Declaration of Trust, Chartwell would have the capacity to acquire approximately $179 million in new assets at quarter-end. The average term to maturity for its mortgage portfolio was 6.4 years with a weighted average interest rate of 5.44%.

Growth to Continue

During the first nine months of 2006 Chartwell acquired interests in 28 seniors housing facilities containing 3,766 suites for an aggregate purchase price of approximately $367.0 million. In addition, it extended mezzanine loans to its development partners of approximately $22.5 million.

Subsequent to the end of the third quarter, Chartwell announced that it intended to acquire interests in 10,291 suites in 52 seniors housing facilities through transactions with a total approximate value of $850 million. Once these transactions are complete, Chartwell will be transformed into Canada's largest owner and operator of seniors housing facilities with interests in 242 facilities aggregating approximately 34,000 suites.

"With these transactions, we are very proud to have exceeded our growth targets for 2006," Mr. Suske concluded. "Looking ahead, the seniors housing sector remains highly fragmented, and we are confident our track record of growth will continue. At the same time, we are focused on the management and operation of our facilities to ensure this growth is accretive for our Unitholders."

On October 31, 2006, the Minister of Finance (Canada) announced proposed changes to the taxation of income trusts for Canadian federal income tax purposes. In connection with the announcement the Ministry of Finance published a Backgrounder with the additional details of the proposals. Chartwell has reviewed the requirements to qualify as a REIT as set out in the Backgrounder given that the announcement made it clear that REITs will be

excluded from the proposed taxation of income trusts. It should be noted that the proposals set out in the Backgrounder are not legislation and do not define the key terms and specific criteria which will determine whether Chartwell's various categories of income, as currently earned, have the required characteristics and proportions to be within the proposed REIT status rules. However, 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 may not qualify as a REIT and may be subject to the proposed income trust tax rules as drafted in the Backgrounder that are expected to become applicable in 2011.

"We note that Chartwell's business model is sound, our asset base is attractive and growing and our growth and operating strategies are generating significant benefits for our Unitholders. We have four years to adjust our structure, if needed, to any proposed changes and, in the interim, our Unitholders will continue to receive the same stable, consistent and growing cash distributions on which they have come to depend since we entered the public capital markets three years ago," Mr. Suske continued.

There is a four-year transition period before the proposals are currently expected to apply to Chartwell. During this transition period, specific legislation will be proposed from which Chartwell will be in a better position to determine its status. To the extent that Chartwell does not then qualify for the REIT exemption under specific legislation as finally enacted, Chartwell would consider alternative measures, if they are in the best interests of its Unitholders, in order to qualify as a REIT under the proposed changes.

The proposals indicate that it is not the Government's intention to change the manner in which distributions that are characterized as return of capital are taxed. Since inception, approximately 85% of Chartwell's distributions have been characterized as return of capital, and management believes it is likely that a high return of capital component would continue going forward. Consequently, Chartwell believes that any impact on its Unitholders of the proposed taxation will be significantly mitigated due to the large proportion of distributions which are a return of capital.

For example, in the event that no measures are taken by Chartwell in order to qualify as a REIT and, such that the taxation proposals described in the Backgrounder were to currently become applicable to Chartwell's current annual distribution of $1.065 per unit, (i) a taxable investor, who is a resident of Canada, is estimated to have no effective reduction in his net annual after-tax cash position from his current position (assuming the trust tax is effective only when full implementation of the new corporate/trust tax rates and dividend credits has been reached in 2011 and the investor is taxed personally at the top marginal tax rate) and (ii) a non-taxable or a non-resident investor is estimated to have a $0.04 per unit reduction in his net after tax cash position from Chartwell (assuming the tax rates contemplated for 2011 and continuation of the return of capital component of distributions at 85%).

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

	Three Months		Nine Months	
Period Ended September 30, 2006	2005	2006	2005	($,000 except per unit amounts)
	(restated)		(restated)	
Revenues:				
Property Revenue	86,716	55,212	226,958	138,210
Mezzanine Loan Interest	2,776	2,030	7,583	5,785
Fees	3,252	1,638	10,654	5,641
Other Income	1,984	1,374	4,610	3,280
Total Revenues	94,728	60,254	249,785	152,916
Net Loss	(2,904)	(2,299)	(7,792)	(5,702)
Net Loss per Unit (diluted)	(0.046)	(0.052)	(0.138)	(0.150)
Funds from Operations	17,735	10,302	46,675	28,918
Funds from Operations per Unit (diluted)	$0.25	$0.21	$0.74	$0.66
Funds from Operations Payout Ratio	104%	133%	108%	123%
Distributable Income	17,136	14,118	47,296	34,889
Distributable Income per Unit - diluted	$0.24	$0.28	$0.75	$0.79
Distributions declared	18,499	13,660	50,495	35,682
Distributions declared per Unit - diluted	$0.26	$0.27	$0.80	$0.81
Weighted Avg Units Outstanding (diluted)	70,265,023	50,100,673	63,479,887	44,056,236

Chartwell's third quarter 2006 financial statements, including its Management's Discussion and Analysis, are available at **www.chartwellreit.ca**. A detailed list of the REIT's property portfolio can also be obtained under "Property List" in the "Investor Relations" section of the web site.

Chartwell REIT is a growth-oriented investment trust owning and managing a complete spectrum of seniors housing properties. It is currently 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 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**.

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 the REIT's performance and ability to earn and distribute cash returns to Unitholders. Distributable Income, Funds from Operations and Net Operating Income as computed by the REIT may differ from similar computations as reported by other organizations and, accordingly, may not be comparable to those reported by such organizations.

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