



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Mail Stop 3720

April 27, 2006

Mr. Bradley Rush
Chief Financial Officer
Sunrise Senior Living, Inc.
7902 Westpark Drive
McLean, VA 22102

**Re: Sunrise Senior Living, Inc.
Form 10-K for Fiscal Year Ended December 31, 2005
Filed March 16, 2006**

File No. 1-16499

Dear Mr. Rush:

We have reviewed your supplemental response letter dated March 31, 2006 as well as your filing and have the following comments. As noted in our comment letter dated December 28, 2005, we have limited our review to your financial statements and related disclosures and do not intend to expand our review to other portions of your documents.

Form 10-K for the Year Ended December 31, 2005

Note 2. Significant Accounting Policies, page 55

Investments, page 55

1. You state that unrealized gains and losses on your available-for-sale investments are included in comprehensive income. However, despite the fact that these investments are included as long-term, you have not presented any unrealized gains or losses in comprehensive income. Please explain and also tell us how you have complied with the disclosure requirements set forth in paragraphs 19 – 21 of SFAS No. 115.

Investments in Unconsolidated Senior Living Communities, page 56

2. We note your response to prior comment 5 and your updated accounting policy disclosure on page 56 of your Form 10-K for the year ended December 31, 2005. We refer to the ventures that you account for by the equity method, despite your position as the general partner. For those entities, other than those you have identified as variable interest entities, please tell us your basis for determining that you do not control those entities because the limited partners have important rights. In this regard, tell us in sufficient detail about each of the “important rights” that the limited partners have and how you considered them in reaching your conclusion.
3. We note that you determine your share of investees earnings or losses based on the distributions of cash flow from a hypothetical liquidation of the investees assets and liabilities. Please tell us why you believe this is the most appropriate method for determining your share of equity earnings or losses and the accounting literature that you rely upon.

Revenue Recognition, page 58

4. You state that changes in credit support payments are recorded as a reduction to revenue. Please tell us what constitutes credit support payments.

Other Recent Accounting Standards, page 61

5. You state that you “do not anticipate a significant impact as a result of adopting EITF 04-5 for unconsolidated ventures formed prior to June 29, 2005.” Please clarify what you mean by “significant,” by providing us with a detailed description of the impact of adoption, and the facts and circumstances that support your conclusion.

Note 16. Commitments, page 72

6. We refer to the liquidity support agreement you entered into in connection with The Fountains transaction. Please tell us if you have recognized a liability in accordance with FIN 45 for your obligation if the venture fails to make scheduled debt service payments and the bank pursues your guarantee. If you have not recognized a liability for this obligation, please tell us the basis for your conclusion, citing the appropriate accounting literature.

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You may contact Christine Adams, Staff Accountant, at (202) 551-3363 or Ivette Leon, Assistant Chief Accountant, at (202) 551-3351 if you have questions regarding comments on the financial statements and related matters. Please contact me at (202) 551-3810 with any other questions.

Sincerely,

/s/Larry Spigel
Assistant Director