

EQUITY LIFESTYLE PROPERTIES INC

Form 10-Q

November 08, 2011

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2011

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from                      to

Commission file number: 1-11718

**EQUITY LIFESTYLE PROPERTIES, INC.**

(Exact Name of Registrant as Specified in Its Charter)

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<b>Maryland</b> (State or Other Jurisdiction of Incorporation or Organization)	<b>36-3857664</b> (I.R.S. Employer Identification No.)
<b>Two North Riverside Plaza, Suite 800,</b> <b>Chicago, Illinois</b> (Address of Principal Executive Offices)	<b>60606</b> (Zip Code)
<b>(312) 279-1400</b> (Registrant's Telephone Number, Including Area Code)	

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company   
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

40,797,433 shares of Common Stock as of November 4, 2011.

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**Equity LifeStyle Properties, Inc.**

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	<b>September 30, 2011 (unaudited)</b>	<b>December 31, 2010</b>
<b>Assets</b>		
Investment in real estate:		
Land	\$ 894,152	\$ 544,462
Land improvements	2,371,758	1,762,122
Buildings and other depreciable property	421,427	278,403
	3,687,337	2,584,987
Accumulated depreciation	(771,105)	(700,665)
Net investment in real estate	2,916,232	1,884,322
Cash and cash equivalents	212,796	12,659
Short-term investments		52,266
Notes receivable, net	58,069	25,726
Investment in joint ventures	8,238	8,446
Rent and other customer receivables, net	671	419
Deferred financing costs, net	20,448	10,688
Inventory	3,143	3,177
Deferred commission expense	18,393	14,898
Escrow deposits and other assets	54,815	35,794
<b>Total Assets</b>	<b>\$ 3,292,805</b>	<b>\$ 2,048,395</b>
<b>Liabilities and Equity</b>		
Liabilities:		
Mortgage notes payable	\$ 1,893,298	\$ 1,412,919
Term loan	200,000	
Unsecured lines of credit		
Accrued payroll and other operating expenses	76,384	52,782
Deferred revenue - upfront payments from right-to-use contracts	53,117	44,349
Deferred revenue - right-to-use annual payments	12,314	12,642
Accrued interest payable	9,208	7,174
Rents and other customer payments received in advance and security deposits	47,369	47,738
Distributions payable	16,722	10,633
<b>Total Liabilities</b>	<b>2,308,412</b>	<b>1,588,237</b>
Commitments and contingencies		
Non-controlling interests - Perpetual Preferred OP Units		200,000
8.034% Series A Cumulative Redeemable Perpetual Preferred Stock, \$0.01 par value per share, 10,000,000 shares authorized, 8,000,000 issued and outstanding as of September 30, 2011 and none issued and outstanding as of December 31, 2010, at liquidation value	200,000	
Series B Subordinated Non-Voting Cumulative Redeemable Preferred Stock, \$0.01 par value per share, 1,740,000 shares authorized, 1,242,462 issued and outstanding as of September 30, 2011 and none	84,234	

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authorized, issued and outstanding as of December 31, 2010

Equity:

Stockholders' Equity:

Common stock, \$0.01 par value 100,000,000 shares authorized; 39,240,264 and 30,972,353 shares issued and outstanding as of September 30, 2011 and December 31, 2010, respectively	393	310
Paid-in capital	892,316	463,722
Distributions in excess of accumulated earnings	(254,455)	(237,002)
Accumulated other comprehensive loss	(2,893)	
<b>Total Stockholders' Equity</b>	<b>635,361</b>	<b>227,030</b>
Non-controlling interests - Common OP Units	64,798	33,128
<b>Total Equity</b>	<b>700,159</b>	<b>260,158</b>
<b>Total Liabilities and Equity</b>	<b>\$ 3,292,805</b>	<b>\$ 2,048,395</b>

The accompanying notes are an integral part of the financial statements.

**Table of Contents****Equity LifeStyle Properties, Inc.****Consolidated Statements of Operations****For the Three Months and Nine Months Ended September 30, 2011 and 2010****(amounts in thousands, except share and per share data)****(unaudited)**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>	<b>September 30,</b>	<b>September 30,</b>	<b>September 30,</b>
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Revenues:</b>				
Community base rental income	\$ 87,149	\$ 65,043	\$ 219,740	\$ 194,066
Resort base rental income	36,139	35,991	101,858	101,440
Right-to-use annual payments	12,444	12,554	37,019	37,628
Right-to-use contracts current period, gross	4,386	4,552	13,096	15,170
Right-to-use contracts, deferred, net of prior period amortization	(2,858)	(3,330)	(8,768)	(11,829)
Utility and other income	14,498	12,490	40,044	37,297
Gross revenues from home sales	1,636	1,765	4,281	4,759
Brokered resale revenues, net	141	237	608	718
Ancillary services revenues, net	1,134	1,262	2,261	2,458
Interest income	2,328	1,048	4,379	3,237
Income from other investments, net	4,394	2,583	6,242	5,244
<b>Total revenues</b>	<b>161,391</b>	<b>134,195</b>	<b>420,760</b>	<b>390,188</b>
<b>Expenses:</b>				
Property operating and maintenance	56,451	51,495	148,417	141,947
Real estate taxes	10,304	7,938	26,522	24,578
Sales and marketing, gross	2,950	3,052	8,289	9,900
Sales and marketing, deferred commissions, net	(1,148)	(1,274)	(3,495)	(4,343)
Property management	9,201	8,373	25,857	24,906
Depreciation on real estate and other costs	21,689	17,096	56,201	50,959
Amortization of in-place leases	10,759		10,759	
Cost of home sales	1,552	1,431	4,020	4,318
Home selling expenses	356	456	1,239	1,388
General and administrative	6,412	5,818	18,070	17,042
Transaction costs	15,216		17,333	
Rent control initiatives	211	106	799	1,119
Depreciation on corporate assets	256	246	759	835
Interest and related amortization	26,084	22,465	68,931	69,221
<b>Total expenses</b>	<b>160,293</b>	<b>117,202</b>	<b>383,701</b>	<b>341,870</b>
Income before equity in income of unconsolidated joint ventures	1,098	16,993	37,059	48,318
Equity in income of unconsolidated joint ventures	257	314	1,582	1,714
Consolidated income from continuing operations	1,355	17,307	38,641	50,032
<b>Discontinued Operations:</b>				
Loss from discontinued operations				(231)
<b>Consolidated net</b>				