
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report: March 18, 2010

(Date of earliest event reported)

EQUITY LIFESTYLE PROPERTIES, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

1-11718
(Commission File No.)

36-3857664
(IRS Employer
Identification Number)

Two North Riverside Plaza, Chicago, Illinois
(Address of principal executive offices)

60606
(Zip Code)

(312) 279-1400
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 8.01 Other Events

On December 23, 2009, Equity LifeStyle Properties, Inc. (the "Company") received a comment letter from the Securities and Exchange Commission ("SEC") regarding our Proxy Statement and Form 10-K for the year ended December 31, 2008 to which we responded on January 25, 2010 as previously disclosed in Item 1B of our Annual Report on Form 10-K for the year ended December 31, 2009 ("2009 Form 10-K"). In response to our letter on January 25, 2010, we received a comment letter, dated March 18, 2010 ("SEC Letter") from the SEC concerning our 2009 Form 10-K. The SEC's comments relate to income statement presentation, segment reporting, materiality of a joint venture investment, and the transfer of inventory homes to fixed assets. The SEC Letter is furnished as Exhibit 99.1 to this report on Form 8-K.

In the SEC Letter, the SEC commented that our current Consolidated Statements of Operations presentation reflecting separate sections for property operations and homes sales operations (a "stacked" presentation) does not comply with Article 5, Rule 5-03 of Regulation S-X and has asked us to restate our 2009 Form 10-K. Our current Consolidated Statements of Operations format as presented in our 2009 Form 10-K is furnished as Exhibit 99.2 to this report on Form 8-K. The Company expects to submit a response to the SEC proposing that we will provide a new format for our Consolidated Statements of Operations on a prospective basis with our Form 10-Q for the period ending March 31, 2010, rather than restate the 2009 Form 10-K. The revised format of Consolidated Statements of Operations that we expect to provide in future SEC filings would have one revenue section and one expense section. For example, the revenue from both property operations and home sales would be presented under the revenue section instead of being presented on a stacked basis. The new format we intend to propose to the SEC is furnished as Exhibit 99.3 to this report on Form 8-K. The new format will not change reported Consolidated income from continuing operations, Consolidated net income, Net income available for Common Shares and Earnings per common share.

The Company expects to file its response to the SEC's letter in the next few weeks. There can be no assurance that the SEC will agree with our response and it is possible that we may be required to restate our 2009 Form 10-K to change the income statement presentation or incorporate any other changes that may arise from the ongoing comment letter process.

This report includes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. When used, words such as "anticipate," "expect," "believe," "project," "intend," "may be" and "will be" and similar words or phrases, or the negative thereof, unless the context requires otherwise, are intended to identify forward-looking statements. These forward-looking statements are subject to numerous assumptions, risks and uncertainties, including, but not limited to:

- our ability to control costs, real estate market conditions, the actual rate of decline in customers, the actual use of sites by customers and our success in acquiring new customers at our Properties (including those recently acquired);
 - our ability to maintain historical rental rates and occupancy with respect to Properties currently owned or that we may acquire;
 - our assumptions about rental and home sales markets;
 - in the age-qualified Properties, home sales results could be impacted by the ability of potential homebuyers to sell their existing residences as well as by financial, credit and capital markets volatility;
 - results from home sales and occupancy will continue to be impacted by local economic conditions, lack of affordable manufactured home financing and competition from alternative housing options including site-built single-family housing;
 - impact of government intervention to stabilize site-built single family housing and not manufactured housing;
 - the completion of future acquisitions, if any, and timing with respect thereto and the effective integration and successful realization of cost savings;
 - ability to obtain financing or refinance existing debt on favorable terms or at all;
 - the effect of interest rates;
 - the dilutive effects of issuing additional common stock;
-

- the effect of accounting for the sale of agreements to customers representing a right-to-use the Properties under the Codification Topic “*Revenue Recognition*,” and
- other risks indicated from time to time in our filings with the Securities and Exchange Commission.

These forward-looking statements are based on management’s present expectations and beliefs about future events. As with any projection or forecast, these statements are inherently susceptible to uncertainty and changes in circumstances. The Company is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements whether as a result of such changes, new information, subsequent events or otherwise.

Equity LifeStyle Properties, Inc. owns or has an interest in 304 quality properties in 27 states and British Columbia consisting of 110,575 sites. The Company is a self-administered, self-managed, real estate investment trust (REIT) with headquarters in Chicago.

Item 9.01 Exhibits

(d) Exhibits

Exhibit 99.1 Comment Letter Dated March 18, 2010

Exhibit 99.2 Consolidated Statements of Operations for the years ended December 31, 2009, 2008 and 2007 as reported in our Form 10-K for the year ended December 31, 2009

Exhibit 99.3 Pro-forma Consolidated Statements of Operations for the years ended December 31, 2009, 2008 and 2007

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EQUITY LIFESTYLE PROPERTIES, INC.

Date: March 24, 2010

By: /s/ Michael Berman

Michael Berman
Executive Vice President and
Chief Financial Officer



DIVISION OF
CORPORATION FINANCE

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

Mail Stop 3010

March 18, 2010

Mr. Michael B. Berman
Chief Financial Officer
Equity Lifestyle Properties, Inc.
Two North Riverside Plaza, Suite 800
Chicago, IL 60606

**Re: Equity Lifestyle Properties, Inc.
Form 10-K for the year ended December 31, 2009
File No. 1-11718**

Dear Mr. Berman:

We have reviewed your filing and your response letter dated January 25, 2010. As you have filed your 2009 Form 10-K prior to the resolution of our previous comments, we have limited our review of your filing to those unresolved matters as they pertain to your most recent filing and we have the following comments. Where indicated, we think you should revise your document in response to these comments. If you disagree with a comment, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure. After reviewing this information, we may raise additional comments.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comments or any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

Form 10-K for the year ending December 31, 2009

Financial Statements

Consolidated Statements of Operations, page F-5

1. We note your response to prior comment 2 and we are unable to agree with your position as all of your operations appear to fall within the scope of Article 5 of Regulation S-X. Please restate your 2009 financial statements in an amended filing to address home sales, ground lease rentals, and interest income related to the financing of customer right-to-use contracts in a manner that complies with Rule 5-03 of Regulation S-X. Additionally, please consider whether management's failure to provide an article 5 compliant income statement impacts its conclusions regarding the effectiveness of your disclosure controls and procedures as of the end of the fiscal year covered by your 2009 Form 10-K and revise your disclosure as appropriate.

Note 2 — Summary of Significant Accounting Policies

(c) Markets, page F-11

2. We note your response to prior comment 3 and your position that home sales operations do not independently warrant the time of chief operating decision makers and that financing operations are immaterial to your overall business. Please tell us specifically how you have evaluated paragraphs b and c to 280-10-50-50-1 of the Accounting Standards Codification. Additionally, to the extent that you view that financing and home operations revenues are immaterial to overall operations, please clarify for us why you have stated in your response to prior comment 2 that you have separated home sales operations from property operations to "allow the users of our financial statements to better understand our property operations and not be confused by the minor home sales operations."

Note 6 — Investments in Joint Ventures, page F-23

3. We note your response to prior comment 5 and your position that the impact of consolidating your interests in Lakeshore Investments versus your current accounting treatment would not be material to your financial statements. Please enhance and update us on your analysis of the materiality of a potential change to consolidation for these investments using the metric "Net income available for common shares" for each of the years in the three year period ended December 31, 2009.
-

Note 7 — Inventory, page F-24

4. We note your response to prior comment 6 and that you had identified that the economy was challenging and that you made an operational decision to rent out the homes until the new homes sales market improves at some point in the future. In light of the above factors, please expand your disclosure in future filings and tell us in greater detail how you determine if events or circumstances have occurred that indicate that there may be an impairment to your properties. In your response, please specifically address these former home sale properties that you now rent and address how your assumptions for impairment testing may have been adjusted in response to your consideration of the difficult economy and the troubled home sales market.

As appropriate, please amend your filing and respond to these comments within 10 business days or tell us when you will provide us with a response. You may wish to provide us with marked copies of the amendment to expedite our review. Please submit a cover letter with your amendment that keys your responses to our comments and provides any requested information. Detailed cover letters greatly facilitate our review. Please submit your cover letter on EDGAR. Please understand that we may have additional comments after reviewing your amendment and responses to our comments.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filing includes all information required under the Securities Exchange Act of 1934 and that they have provided all information investors require for an informed decision. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

In connection with responding to our comments, please provide, in writing, a statement from the company acknowledging that:

- the company is responsible for the adequacy and accuracy of the disclosure in the filing;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

In addition, please be advised that the Division of Enforcement has access to all information you provide to the staff of the Division of Corporation Finance in our review of your filing or in response to our comments on your filing.

Mr. Berman
Equity Lifestyle Properties, Inc.
March 18, 2010
Page 4

You may contact Howard Efron, Staff Accountant, at (202) 551-3439 or me at (202) 551-3629 if you have questions regarding comments on the financial statements and related matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Woody". The signature is written in a cursive style with a large, sweeping initial "K".

Kevin Woody
Branch Chief

Equity LifeStyle Properties, Inc.
Consolidated Statements of Operations
For the Years Ended December 31, 2009, 2008 and 2007
(amounts in thousands, except per share data)

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Property Operations:			
Community base rental income	\$ 253,379	\$ 245,833	\$ 236,933
Resort base rental income	124,822	111,876	102,372
Right-to-use annual payments	50,765	19,667	—
Right-to-use contracts current period, gross	21,526	10,951	—
Right-to-use contracts, deferred, net of prior period amortization	(18,882)	(10,611)	—
Utility and other income	47,685	41,633	36,849
Property operating revenues	479,295	419,349	376,154
Property operating and maintenance	180,870	152,363	127,342
Real estate taxes	31,674	29,457	27,429
Sales and marketing, gross	13,536	7,116	—
Sales and marketing, deferred commissions, net	(5,729)	(3,644)	—
Property management	33,383	25,451	18,385
Property operating expenses (exclusive of depreciation shown separately below)	253,734	210,743	173,156
Income from property operations	225,561	208,606	202,998
Home Sales Operations:			
Gross revenues from home sales	7,136	21,845	33,333
Cost of home sales	(7,471)	(24,069)	(30,713)
Gross (loss) profit from home sales	(335)	(2,224)	2,620
Brokered resale revenues, net	758	1,094	1,528
Home selling expenses	(2,383)	(5,776)	(7,555)
Ancillary services revenues, net	2,745	1,197	2,436
Income (loss) from home sales and other	785	(5,709)	(971)
Other Income and Expenses:			
Interest income	5,119	3,095	1,732
Income from other investments, net	8,168	17,006	22,476
General and administrative	(22,279)	(20,617)	(15,591)
Rent control initiatives	(456)	(1,555)	(2,657)
Interest and related amortization	(98,311)	(99,430)	(103,070)
Depreciation on corporate assets	(1,039)	(390)	(437)
Depreciation on real estate and other costs	(69,049)	(66,193)	(63,554)
Total other expenses, net	(177,847)	(168,084)	(161,101)
Equity in income of unconsolidated joint ventures	2,896	3,753	2,696
Consolidated income from continuing operations	51,395	38,566	43,622
Discontinued Operations:			
Discontinued operations	181	257	289
Gain (loss) from discontinued real estate	4,685	(79)	12,036
Income from discontinued operations	4,866	178	12,325
Consolidated net income	56,261	38,744	55,947
Income allocated to non-controlling interests:			
Common OP Units	(6,113)	(4,297)	(7,705)
Perpetual Preferred OP Units	(16,143)	(16,144)	(16,140)
Net income available for Common Shares	<u>\$ 34,005</u>	<u>\$ 18,303</u>	<u>\$ 32,102</u>

Equity LifeStyle Properties, Inc.
Consolidated Statements of Operations
For the Years Ended December 31, 2009, 2008 and 2007
(amounts in thousands, except per share data)

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Earnings per Common Share — Basic:			
Income from continuing operations	\$ 1.08	\$ 0.74	\$ 0.92
Income from discontinued operations	\$ 0.15	\$ 0.01	\$ 0.41
Net income available for Common Shares	<u>\$ 1.23</u>	<u>\$ 0.75</u>	<u>\$ 1.33</u>
Earnings per Common Share — Fully Diluted:			
Income from continuing operations	\$ 1.07	\$ 0.74	\$ 0.90
Income from discontinued operations	\$ 0.15	\$ 0.01	\$ 0.41
Net income available for Common Shares	<u>\$ 1.22</u>	<u>\$ 0.75</u>	<u>\$ 1.31</u>
Distributions declared per Common Share outstanding	<u>\$ 1.10</u>	<u>\$ 0.80</u>	<u>\$ 0.60</u>
Tax status of Common Shares distributions deemed paid during the year:			
Ordinary income	\$ 0.72	\$ 0.80	\$ 0.60
Long-term capital gain	\$ 0.24	\$ —	\$ —
Unrecaptured section 1250 gain	<u>\$ 0.14</u>	<u>\$ —</u>	<u>\$ —</u>
Weighted average Common Shares outstanding — basic	<u>27,582</u>	<u>24,466</u>	<u>24,089</u>
Weighted average Common Shares outstanding — fully diluted	<u>32,944</u>	<u>30,498</u>	<u>30,414</u>

Equity LifeStyle Properties, Inc.
Pro-forma Consolidated Statements of Operations
For the Years Ended December 31, 2009, 2008 and 2007
(amounts in thousands, except per share data)

	2009	2008	2007
Property Operations:			
Community base rental income	\$ 253,379	\$ 245,833	\$ 236,933
Resort base rental income	124,822	111,876	102,372
Right-to-use annual payments	50,765	19,667	—
Right-to-use contracts current period, gross	21,526	10,951	—
Right-to-use contracts, deferred, net of prior period amortization	(18,882)	(10,611)	—
Utility and other income	47,685	41,633	36,849
Property operating revenues	479,295	419,349	376,154
Gross revenues from home sales	7,136	21,845	33,333
Brokered resale revenues, net	758	1,094	1,528
Ancillary services revenues, net	2,745	1,197	2,436
Interest income	5,119	3,095	1,732
Income from other investments, net	8,168	17,006	22,476
Total revenues	503,221	463,586	437,659
Property operating and maintenance	(180,870)	(152,363)	(127,342)
Real estate taxes	(31,674)	(29,457)	(27,429)
Sales and marketing, gross	(13,536)	(7,116)	—
Sales and marketing, deferred commissions, net	5,729	3,644	—
Property management	(33,383)	(25,451)	(18,385)
Property operating expenses (exclusive of depreciation shown separately below)	(253,734)	(210,743)	(173,156)
Cost of home sales	(7,471)	(24,069)	(30,713)
Home selling expenses	(2,383)	(5,776)	(7,555)
General and administrative – corporate	(22,279)	(20,617)	(15,591)
Rent control initiatives	(456)	(1,555)	(2,657)
Interest and related amortization	(98,311)	(99,430)	(103,070)
Depreciation on corporate assets	(1,039)	(390)	(437)
Depreciation on real estate and other costs	(69,049)	(66,193)	(63,554)
Total expenses	(454,722)	(428,773)	(396,733)
Income before equity in income of unconsolidated joint ventures	48,499	34,813	40,926
Equity in income of unconsolidated joint ventures	2,896	3,753	2,696
Consolidated income from continuing operations	51,395	38,566	43,622
Discontinued Operations:			
Discontinued operations	181	257	289
Gain (loss) from discontinued real estate	4,685	(79)	12,036
Income from discontinued operations	4,866	178	12,325
Consolidated net income	56,261	38,744	55,947
Income allocated to non-controlling interests:			
Common OP Units	(6,113)	(4,297)	(7,705)
Perpetual Preferred OP Units	(16,143)	(16,144)	(16,140)
Net income available for Common Shares	\$ 34,005	\$ 18,303	\$ 32,102

Equity LifeStyle Properties, Inc.
Pro-forma Consolidated Statements of Operations
For the Years Ended December 31, 2009, 2008 and 2007
(amounts in thousands, except per share data)

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Earnings per Common Share — Basic:			
Income from continuing operations	\$ 1.08	\$ 0.74	\$ 0.92
Income from discontinued operations	\$ 0.15	\$ 0.01	\$ 0.41
Net income available for Common Shares	<u>\$ 1.23</u>	<u>\$ 0.75</u>	<u>\$ 1.33</u>
Earnings per Common Share — Fully Diluted:			
Income from continuing operations	\$ 1.07	\$ 0.74	\$ 0.90
Income from discontinued operations	\$ 0.15	\$ 0.01	\$ 0.41
Net income available for Common Shares	<u>\$ 1.22</u>	<u>\$ 0.75</u>	<u>\$ 1.31</u>
Distributions declared per Common Share outstanding	<u>\$ 1.10</u>	<u>\$ 0.80</u>	<u>\$ 0.60</u>
Tax status of Common Shares distributions deemed paid during the year:			
Ordinary income	\$ 0.72	\$ 0.80	\$ 0.60
Long-term capital gain	\$ 0.24	\$ —	\$ —
Unrecaptured section 1250 gain	<u>\$ 0.14</u>	<u>\$ —</u>	<u>\$ —</u>
Weighted average Common Shares outstanding — basic	<u>27,582</u>	<u>24,466</u>	<u>24,089</u>
Weighted average Common Shares outstanding — fully diluted	<u>32,944</u>	<u>30,498</u>	<u>30,414</u>