
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: May 6, 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))
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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 (the “2009 Form 10-K”). In response to our letter on January 25, 2010, we received a comment letter, dated March 18, 2010 (the “March SEC Letter”) from the SEC concerning our 2009 Form 10-K to which we responded on April 19, 2010. The March SEC Letter, along with a proposed new format for our Consolidated Statements of Operations were filed as Exhibits to a Current Report on Form 8-K filed on March 24, 2010. The proposed new format was also presented in the Company’s Form 10-Q for the quarter ended March 31, 2010 (the “Form 10-Q”).

In response to our letter on April 19, 2010, we received a comment letter, dated May 6, 2010 (the “May SEC Letter”) from the SEC concerning our 2009 Form 10-K. The comments in the May SEC Letter relate to income statement presentation. The May SEC Letter is furnished as Exhibit 99.1 to this report on Form 8-K.

In the May SEC Letter, the SEC commented on the proposed new format for our Consolidated Statements of Operations that was provided in our April 19, 2010 response letter and in the Form 10-Q for the quarter ended March 31, 2010. When the Company responds to the May SEC Letter, we will provide further revisions to our Consolidated Statement of Operations. The new format we intend to propose to the SEC in our response to the May SEC Letter is furnished as Exhibit 99.2 to this report on Form 8-K. We have provided the new format for the years ended December 31, 2009, 2008 and 2007 as well as for the quarters ended March 31, 2010 and March 31, 2009. The new format will not change any individual reported line item, including Consolidated income from continuing operations, Consolidated net income, Net income available for Common Shares and Earnings per common share. The changes made from the previously proposed format are: removal of the “property operating revenue” and “property operating expense” captions, moving the “interest expense” caption to the bottom of our expense section and moving the “depreciation of real estate and other” from the bottom to the middle of our expense section. We believe these changes will be considered compliant with Rule 5-03 of Regulation S-X by the SEC.

The Company continues to believe that the changes to our Consolidated Statement of Operations are immaterial and our disclosure controls and procedures were effective. We expect to request that the SEC allow us to change our Consolidated Statement of Operations in future filings instead of restating the 2009 Form 10-K and the Form 10-Q for the quarter ended March 31, 2010.

The Company expects to file its response to the May SEC 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 and Form 10-Q for the quarter ended March 31, 2010 to change the Consolidated Statements of Operations 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;
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- 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 303 quality properties in 27 states and British Columbia consisting of 110,411 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 May 6, 2010

Exhibit 99.2 Pro-forma Consolidated Statements of Operations for the years ended December 31, 2009, 2008 and 2007 and for the quarters ended March 31, 2010 and 2009.

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: May 12, 2010

By: /s/ Michael Berman

Michael Berman

Executive Vice President and Chief Financial Officer



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

Mail Stop 3010

May 6, 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 first response letter filed on April 19, 2010 and have the following additional comments. Where indicated, we think you should revise your document in response to these comments. If you disagree, 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 our comments, we may ask you to provide us with supplemental information so we may better understand your disclosure. After reviewing this information, we may or may not raise additional comments.

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 1 and your new proposed income statement format. Please present depreciation along with other property operating expenses within your consolidated statements of operations such that you do not use a line caption excluding depreciation from the other property operating expenses. Additionally, tell us what consideration you have given to presenting interest income and income from other
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Mr. Berman
Equity Lifestyle Properties, Inc.
May 6, 2010
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investments outside of operating income in a section for non-operating income under the guidance of Rule 5-03 of Regulation S-X.

2. We note your response to prior comment 1 and we are unable to provide the relief which you have requested. 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, we are unable to agree with your conclusion of effectiveness as of December 31, 2009 for disclosure controls and procedures based upon the considerations that you have cited within your response. Tell us how you were able to reach the conclusion that disclosure controls and procedures were effective as of December 31, 2009 or otherwise advise.

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.

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,

/s/ Kevin Woody

Kevin Woody
Branch Chief

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>
Revenues:			
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
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
Expenses:			
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)
Depreciation on real estate and other costs	(69,049)	(66,193)	(63,554)
Cost of home sales	(7,471)	(24,069)	(30,713)
Home selling expenses	(2,383)	(5,776)	(7,555)
General and administrative	(22,279)	(20,617)	(15,591)
Rent control initiatives	(456)	(1,555)	(2,657)
Depreciation on corporate assets	(1,039)	(390)	(437)
Interest and related amortization	(98,311)	(99,430)	(103,070)
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>

Equity LifeStyle Properties, Inc.
Pro-forma Consolidated Statements of Operations
For the Quarters Ended March 31, 2010 and 2009
(amounts in thousands, except per share data)

	Quarters Ended March 31,	
	2010	2009
Revenues:		
Community base rental income	\$ 64,422	\$ 63,184
Resort base rental income	36,945	35,458
Right-to-use annual payments	12,185	12,895
Right-to-use contracts current period, gross	4,937	5,577
Right-to-use contracts, deferred, net of prior period amortization	(3,948)	(5,163)
Utility and other income	12,889	12,404
Gross revenues from home sales	1,047	1,211
Brokered resale revenues, net	239	186
Ancillary services revenues, net	1,063	1,156
Interest income	1,192	1,383
Income from other investments, net	1,177	2,523
Total revenues	132,148	130,814
Expenses:		
Property operating and maintenance	43,454	42,004
Real estate taxes	8,314	8,456
Sales and marketing, gross	3,263	3,072
Sales and marketing, deferred commissions, net	(1,412)	(1,493)
Property management	8,740	8,704
Depreciation on real estate assets	16,923	17,399
Cost of home sales	1,159	2,117
Home selling expenses	477	1,072
General and administrative	5,676	6,157
Rent control initiatives	714	146
Depreciation on corporate assets	210	168
Interest and related amortization	23,767	24,550
Total expenses	111,285	112,352
Income before equity in income of unconsolidated joint ventures	20,863	18,462
Equity in income of unconsolidated joint ventures	841	1,903
Consolidated income from continuing operations	21,704	20,365
Discontinued Operations:		
Discontinued operations	—	126
Loss from discontinued real estate	(177)	(20)
(Loss) income from discontinued operations	(177)	106
Consolidated net income	21,527	20,471
Income allocated to non-controlling interests:		
Common OP Units	(2,432)	(2,794)
Perpetual Preferred OP Units	(4,031)	(4,033)
Net income available for Common Shares	\$ 15,064	\$ 13,644

Equity LifeStyle Properties, Inc.
Pro-forma Consolidated Statements of Operations
For the Quarters Ended March 31, 2010 and 2009
(amounts in thousands, except per share data)

	Quarters Ended March 31,	
	2010	2009
Earnings per Common Share — Basic:		
Income from continuing operations	\$ 0.50	\$ 0.55
(Loss) income from discontinued operations	—	—
Net income available for Common Shares	<u>\$ 0.50</u>	<u>\$ 0.55</u>
Earnings per Common Share — Fully Diluted:		
Income from continuing operations	\$ 0.49	\$ 0.54
(Loss) income from discontinued operations	—	—
Net income available for Common Shares	<u>\$ 0.49</u>	<u>\$ 0.54</u>
Distributions declared per Common Share outstanding	<u>\$ 0.30</u>	<u>\$ 0.25</u>
Weighted average Common Shares outstanding — basic	<u>30,304</u>	<u>24,945</u>
Weighted average Common Shares outstanding — fully diluted	<u>35,500</u>	<u>30,523</u>