FORM 10-Q

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

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2003

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

COMMISSION FILE NUMBER: 1-11718

MANUFACTURED HOME COMMUNITIES, INC.
(Exact name of registrant as specified in its Charter)

MARYLAND	36-3857664
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

TWO NORTH RIVERSIDE PLAZA, SUITE 800, CHICAGO, ILLINOIS	60606
(Address of principal executive offices)	(Zip Code)

(312) 279-1400
(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 [X] No [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes [X] No [ ]

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

22,472,731 shares of Common Stock as of November 7, 2003.

MANUFACTURED HOME COMMUNITIES, INC.

TABLE OF CONTENTS

MANUFACTURED HOME COMMUNITIES, INC.
CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2003 AND DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS, EXCEPT SHARE DATA)

	SEPTEMBER 30, 2003 (UNAUDITED)	DECEMBER 31, 2002
ASSETS		
Investment in real estate:		
Land	$ 279,811	$ 284,219
Land improvements	890,641	893,839
Buildings and other depreciable property	120,593	117,949
	1,291,045	1,296,007
Accumulated depreciation	(262,385)	(238,098)
Net investment in real estate	1,028,660	1,057,909
Cash and cash equivalents	17,981	7,270
Notes receivable	10,772	10,044
Investment in joint ventures	18,947	19,634
Rents receivable, net	2,040	1,735
Deferred financing costs, net	7,875	5,030
Inventory	30,687	33,638
Prepaid expenses and other assets	36,041	27,590
Total assets	$ 1,153,003	$ 1,162,850
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Mortgage notes payable	$ 578,483	$ 575,370
Unsecured term loan	100,000	100,000
Unsecured line of credit	58,500	84,750
Other notes payable	113	113
Accounts payable and accrued expenses	40,544	31,010
Accrued interest payable	4,109	6,415
Rents received in advance and security deposits	7,080	5,966
Distributions payable	13,773	13,106
Total liabilities	802,602	816,730
Commitments and contingencies		
Minority interest - Common OP Units and other	43,671	43,501
Minority interest - Perpetual Preferred OP Units	125,000	125,000
Stockholders' equity:		
Preferred stock, $.01 par value 10,000,000 shares authorized; none issued	---	---
Common stock, $.01 par value 50,000,000 shares authorized; 22,415,161 and 22,093,240 shares issued and outstanding for 2003 and 2002, respectively	221	218
Paid-in capital	260,743	256,394
Deferred compensation	(1,282)	(3,069)
Employee notes	---	(2,713)
Distributions in excess of accumulated earnings	(74,555)	(68,713)
Accumulated other comprehensive income (loss)	(3,397)	(4,498)
Total stockholders' equity	181,730	177,619
Total liabilities and stockholders' equity	$ 1,153,003	$ 1,162,850

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

MANUFACTURED HOME COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE QUARTERS AND NINE MONTHS ENDED SEPTEMBER 30, 2003 AND 2002
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	QUARTERS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2003	2002	2003	2002
PROPERTY OPERATIONS:				
Community base rental income	$ 49,203	$ 48,858	$ 147,675	$ 147,064
Resort base rental income	2,144	1,770	8,076	5,425
Utility and other income	4,904	4,737	15,327	15,150
Property operating revenues	56,251	55,365	171,078	167,639
Property operating and maintenance	16,283	15,860	48,828	47,062
Real estate taxes	4,577	4,321	13,960	13,354
Property management	2,364	2,329	6,992	7,003
Property operating expenses	23,224	22,510	69,780	67,419
Income from property operations	33,027	32,855	101,298	100,220
HOME SALES OPERATIONS:				
Gross revenues from inventory home sales	11,399	9,120	25,058	21,775
Cost of inventory home sales	(10,115)	(7,404)	(21,741)	(17,059)
Gross profit from inventory home sales	1,284	1,716	3,317	4,716
Brokered resale revenues, net	491	348	1,321	1,234
Home selling expenses	(1,971)	(1,934)	(5,669)	(6,061)
Ancillary services revenues, net	(125)	(62)	244	604
Income (loss) from home sales and other	(321)	68	(787)	493
OTHER INCOME AND EXPENSES:				
Interest income	254	239	760	723
Income from unconsolidated joint ventures	490	213	1,629	878
General and administrative	(2,027)	(1,972)	(5,959)	(5,915)
Interest and related amortization	(12,408)	(13,119)	(37,453)	(38,393)
Depreciation on corporate assets	(310)	(320)	(930)	(956)
Depreciation on real estate assets and other costs	(9,446)	(8,816)	(28,037)	(26,632)
Total other income and expenses	(23,447)	(23,775)	(69,990)	(70,295)
Income before allocation to Minority Interests	9,259	9,148	30,521	30,418
MINORITY INTERESTS:				
(Income) allocated to Common OP Units	(1,246)	(1,255)	(4,369)	(4,374)
(Income) allocated to Perpetual Preferred OP Units	(2,813)	(2,813)	(8,439)	(8,439)
Income from continuing operations	5,200	5,080	17,713	17,605
DISCONTINUED OPERATIONS:				
Discontinued operations	10	752	913	2,019
Gain on sale of property	---	1,270	10,826	1,270
Minority interest in discontinued operations	(2)	(390)	(2,170)	(633)
Income from discontinued operations	8	1,632	9,569	2,656
NET INCOME AVAILABLE FOR COMMON SHARES	$ 5,208	$ 6,712	$ 27,282	$ 20,261

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

MANUFACTURED HOME COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS (CONTINUED)
FOR THE QUARTERS AND NINE MONTHS ENDED SEPTEMBER 30, 2003 AND 2002
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	QUARTERS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2003	2002	2003	2002
EARNINGS PER COMMON SHARE - BASIC:				
Income from continuing operations	$ .24	$ .23	$ .80	$ .82
Income from discontinued operations	---	.08	.43	.12
Net income available for Common Shares............	$ .24	$ .31	$ 1.24	$ .94
EARNINGS PER COMMON SHARE - FULLY DILUTED:				
Income from continuing operations.................	$ .23	$ .23	$ .79	$ .80
Income from discontinued operations...............	---	.07	.42	.12
Net income available for Common Shares............	$ .23	$ .30	$ 1.21	$ .91
Distributions declared per Common Shares outstanding..................................	$ .495	$ .475	$ 1.485	$ 1.425
Weighted average Common Shares outstanding - basic...	22,114	21,676	22,020	21,558
Weighted average Common Shares outstanding - fully diluted.................................	28,148	27,693	27,952	27,622

MANUFACTURED HOME COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE QUARTERS AND NINE MONTHS ENDED SEPTEMBER 30, 2003 AND 2002
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	QUARTERS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2003	2002	2003	2002
Net income available for Common Shares.................	$ 5,208	$ 6,712	$ 27,282	$ 20,261
Net unrealized holding gains (losses) on derivative instruments........................	609	(2,551)	1,101	(4,765)
Net other comprehensive income available for Common Shares.................................	$ 5,817	$ 4,161	$ 28,383	$ 15,496

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

MANUFACTURED HOME COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003 AND 2002
(AMOUNTS IN THOUSANDS)
(UNAUDITED)

	SEPTEMBER 30, 2003	SEPTEMBER 30, 2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income available for Common Shares	$ 27,282	$ 20,261
Adjustments to reconcile net income to cash provided by operating activities:		
Income allocated to Minority Interests	14,978	13,447
Gain on sale of property	(10,826)	(1,270)
Depreciation and amortization expense and other	29,636	28,342
Equity in income of unconsolidated joint ventures	(1,602)	(763)
Amortization of deferred compensation and other	1,469	3,186
Increase in provision for uncollectible rents receivable	(68)	--
Changes in assets and liabilities:		
Increase in rents receivable	(235)	(204)
Decrease in inventory	2,763	1,288
Increase in prepaid expenses and other assets	(1,293)	(3,816)
Increase in accounts payable and accrued expenses	758	5,407
Increase in rents received in advance and security deposits	1,114	2,273
Net cash provided by operating activities	63,976	68,151
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of rental properties	(97)	(49,632)
Proceeds from disposition of assets	27,170	4,647
Distributions from joint ventures	1,213	502
Purchase of RSI	---	(675)
Cash received in acquisition of RSI	---	839
Funding of notes receivable	(728)	(1,798)
Improvements:		
Improvements - corporate	(72)	(324)
Improvements - rental properties	(8,700)	(10,058)
Site development costs	(5,517)	(7,293)
Net cash provided by (used in) investing activities	13,269	(63,792)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from stock options and employee stock purchase plan	6,499	7,469
Distributions to Common Stockholders, Common OP Unitholders and Perpetual Preferred OP Unitholders	(49,094)	(46,436)
Collection of principal payments on employee notes	2,713	1,061
Line of credit:		
Proceeds	42,000	65,500
Repayments	(68,250)	(7,500)
Refinancings - net proceeds (repayments)	6,899	(3,236)
Principal payments	(3,786)	(9,001)
Debt issuance costs	(3,515)	(495)
Net cash used in financing activities	(66,534)	7,362
Net increase in cash and cash equivalents	10,711	11,721
Cash and cash equivalents, beginning of period	7,270	1,354
Cash and cash equivalents, end of period	$ 17,981	$ 13,075
SUPPLEMENTAL INFORMATION:		
Cash paid during the period for interest	$ 40,156	$ 34,776

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

DEFINITION OF TERMS:

Manufactured Home Communities, Inc., together with MHC Operating Limited Partnership (the "Operating Partnership") and other consolidated subsidiaries ("Subsidiaries"), are referred to herein as the "Company", "MHC", "we", "us", and "our". Capitalized terms used but not defined herein are as defined in the Company's Annual Report on Form 10-K (the "2002 Form 10-K") for the year ended December 31, 2002.

PRESENTATION:

These unaudited Consolidated Financial Statements of MHC, a Maryland corporation, have been prepared pursuant to the Securities and Exchange Commission ("SEC") rules and regulations and should be read in conjunction with the financial statements and notes thereto included in the 2002 Form 10-K. The following Notes to Consolidated Financial Statements highlight significant changes to the Notes included in the 2002 Form 10-K and present interim disclosures as required by the SEC. The accompanying Consolidated Financial Statements reflect, in the opinion of management, all adjustments necessary for a fair presentation of the interim financial statements. All such adjustments are of a normal and recurring nature. Certain reclassifications have been made to the prior periods' financial statements in order to conform with current period presentation.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(a) Basis of Consolidation

The Company consolidates its majority-owned subsidiaries in which it has the ability to control the operations of the subsidiaries. The Company does not consolidate entities over which it does not have sole control of the major decisions. All inter-company transactions have been eliminated in consolidation. The Company's acquisitions were all accounted for as purchases in accordance with Accounting Principles Board Opinion No. 16 "Business Combinations" for those transactions initiated before June 30, 2001 and in accordance with Statement of Financial Accounting Standards No. 141 "Business Combinations" for those transactions completed after June 30, 2001.

In January 2003, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 46 ("FIN 46"), Consolidation of Variable Interest Entities. FIN 46 requires a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. The Company will adopt FIN 46 in the fourth quarter of 2003 and we have determined adoption will not have a material effect on the financial results of the Company.

(b) Segments

We manage all our operations on a property-by-property basis. Since each property has similar economic and operational characteristics, the Company has one reportable segment, which is the operation of manufactured home communities. The distribution of the Properties throughout the United States reflects our belief that geographic diversification helps insulate the portfolio from regional economic influences. We intend to target new acquisitions in or near markets where the Properties are located and will also consider acquisitions of properties outside such markets.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Inventory

Inventory consists of new and used manufactured homes, is stated at the lower of cost or market and is net of a valuation allowance calculated after consideration of the NADA (National Automobile Dealers Association) Manufactured Housing Appraisal Guide. Inventory sales revenues and resale revenues are recognized when the home sale is closed. Resale revenues are stated net of commissions paid to employees of $251,000 and $686,000, respectively, for the quarters and nine months ended September 30, 2003.

(d) Notes Receivable

Notes receivable generally are stated at their outstanding unpaid principal balances net of any deferred fees or costs on originated loans, or unamortized discounts or premiums net of a valuation allowance. Interest income is accrued on the unpaid principal balance. Discounts or premiums are amortized to income using the interest method. In certain cases we finance the sale of homes to our residents (referred to as "Chattel Loans") which are secured by the homes. The valuation allowance for the Chattel Loans is calculated based on a comparison of the outstanding principal balance of each note compared to the NADA value of the underlying manufactured home collateral.

(e) Real Estate

Real estate is recorded at cost less accumulated depreciation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. We use a 30-year estimated life for buildings acquired and structural and land improvements, a ten-to-fifteen-year estimated life for building upgrades and a three-to-seven-year estimated life for furniture, fixtures and equipment. Expenditures for ordinary maintenance and repairs are expensed to operations as incurred and significant renovations and improvements that improve the asset and extend the useful life of the asset are capitalized and then expensed over their estimated useful life. Our estimates of useful lives, salvage value, and depreciation method used are proscribed by various generally accepted accounting principles ("GAAP") literature. In addition, the FASB is currently reviewing the methods of depreciation and cost capitalization for all industries and in June 2001 issued FASB Exposure Draft, "Accounting in Interim and Annual Financial Statements for Certain Costs and Activities Related to Property, Plant and Equipment", the implementation of which, if issued, could also have a material effect on the Company's results of operations.

Certain costs, primarily legal costs, relative to our efforts to effectively change the use and operations of several Properties subject to rent control (see Note 9) are currently classified in other assets. These costs, to the extent these efforts are successful, are capitalized to the extent of the established value of the revised project and included in the net investment in real estate for the appropriate Properties. For the nine months ended September 30, 2003, we have capitalized $1.3 million of these costs. To the extent these efforts are not successful, these costs will be expensed. In addition, we capitalize certain costs, primarily legal costs, related to entering into lease agreements which govern the terms under which we may enter into leases with individual tenants and which are expensed over the term of the lease agreement.

NOTE 2 - EARNINGS PER COMMON SHARE

Earnings per common share are based on the weighted average number of common shares outstanding during each period. Statement of Financial Accounting Standards No. 128, "Earnings Per Share" ("SFAS No. 128") defines the calculation of basic and fully diluted earnings per share. Basic and fully diluted earnings per share are based on the weighted average shares outstanding during each period and basic earnings per share excludes any dilutive effects of options, warrants and convertible securities. The conversion of OP Units has been excluded from the basic earnings per share calculation. The conversion of an OP Unit to a share of common stock has no material effect on earnings per common share.

NOTE 2 - EARNINGS PER COMMON SHARE (CONTINUED)

The following table sets forth the computation of basic and diluted earnings per share for the quarters and nine months ended September 30, 2003 and 2002 (amounts in thousands):

	QUARTERS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2003	2002	2003	2002
NUMERATORS:				
INCOME FROM CONTINUING OPERATIONS:				
Income from continuing operations - basic	$ 5,200	$ 5,080	$ 17,713	$ 17,605
Amounts allocated to dilutive securities	1,246	1,255	4,369	4,374
Income from continuing operations - fully diluted	$ 6,446	$ 6,335	$ 22,082	$ 21,979
INCOME FROM DISCONTINUED OPERATIONS:				
Income from discontinued operations - basic	$ 8	$ 1,632	$ 9,569	$ 2,656
Amounts allocated to dilutive securities	2	390	2,170	633
Income from discontinued operations - fully diluted	$ 10	$ 2,022	$ 11,739	$ 3,289
NET INCOME AVAILABLE FOR COMMON SHARES:				
Net income available for Common Shares - basic	$ 5,208	$ 6,712	$ 27,282	$ 20,261
Amounts allocated to dilutive securities	1,248	1,645	6,539	5,007
Net income available for Common Shares - fully diluted	$ 6,456	$ 8,357	$ 33,821	$ 25,268
DENOMINATOR:				
Weighted average Common Shares outstanding - basic	22,114	21,676	22,020	21,558
Effect of dilutive securities:				
Weighted average Common OP Units	5,344	5,400	5,349	5,414
Employee stock options	690	617	583	650
Weighted average Common Shares outstanding - fully diluted	28,148	27,693	27,952	27,622

NOTE 3 - COMMON STOCK AND RELATED TRANSACTIONS

On April 11, 2003, the Company paid a $.495 per share distribution for the quarter ended March 31, 2003 to stockholders of record on March 28, 2003. On July 11, 2003, the Company paid a $.495 per share distribution for the quarter ended June 30, 2003 to stockholders of record on June 27, 2003. On October 10, 2003, the Company paid a $.495 per share distribution for the quarter ended September 30, 2003 to stockholders of record on September 26, 2003.

NOTE 4 - INVESTMENT IN REAL ESTATE

During the nine months ended September 30, 2003 we sold three properties listed in the table below. Proceeds from the sales were used to repay amounts on the Company's line of credit. Also during the same period we acquired a parcel of land adjacent to one of our Properties for approximately $97,000.

DATE DISPOSED	PROPERTY	LOCATION	TOTAL SITES	DISPOSITION PRICE ($ millions)	GAIN ON SALE ($ millions)
June 6, 2003	Independence Hill	Morgantown, West Virginia	203	$ 3.9	$ 2.8
June 6, 2003	Brook Gardens	Hamburg, New York	424	17.8	4.1
June 30, 2003	Pheasant Ridge	Mount Airy, Maryland	101	5.4	3.9
			728	$ 27.1	$ 10.8

The Company is actively seeking to acquire additional Communities and Resorts and currently is engaged in negotiations relating to the possible acquisition of a number of Properties. At any time these negotiations are at varying stages which may include contracts outstanding to acquire certain Communities and Resorts which are subject to satisfactory completion of the Company's due diligence review.

NOTE 5 - NOTES RECEIVABLE

As of September 30, 2003 and December 31, 2002, the Company had approximately $10.8 million and $10.0 million in notes receivable, respectively. The Company has approximately $1.6 million in notes which bear interest at a per annum rate of prime plus 0.5% and mature on December 31, 2011. The notes are collateralized with a combination of Common OP Units and partnership interests in certain joint ventures. The Company has approximately $9.1 million in Chattel Loans receivable, which yield interest at a per annum average rate of approximately 10.3%, have an average term and amortization of 5 to 15 years, require monthly principal and interest payments and are collateralized by manufactured homes at certain Properties.

NOTE 6 - INVESTMENT IN JOINT VENTURES

The Company recorded approximately $1.6 million and $878,000 of net income from joint ventures in the nine months ended September 30, 2003 and 2002, respectively, and received approximately $1.2 million and $502,000 in distributions for the nine months ended September 30, 2003 and 2002, respectively. Due to the Company's inability to control the joint ventures, the Company accounts for its investment in the joint ventures using the equity method of accounting.

The following table summarizes the Company's investments in unconsolidated joint ventures:

PROPERTY	LOCATION	NUMBER OF SITES	ECONOMIC INTEREST (a)	INVESTMENT AS OF SEPTEMBER 30, 2003 (in thousands)	INVESTMENT AS OF DECEMBER 31, 2002 (in thousands)
Trails West	Tucson, AZ	503	50%	$ 1,811	$ 1,917
Plantation	Calimesa, CA	385	50%	2,840	2,861
Manatee	Bradenton, FL	290	90%	57	631
Home	Hallandale, FL	136	90%	1,077	1,092
Villa del Sol	Sarasota, FL	207	90%	686	726
Voyager RV Resort	Tucson, AZ	--	25%	4,413	4,463
Preferred Interests in College Heights		--	17%	8,063	7,944
		1,521		$ 18,947	$ 19,634

(a) The percentages shown approximate the Company's economic interest. The Company's legal interest may differ.

NOTE 7 - LONG-TERM BORROWINGS

As of September 30, 2003 and December 31, 2002, the Company had outstanding mortgage indebtedness of approximately $578.4 million and $575.4 million, respectively, encumbering 63 and 66 of the Company's Properties, respectively. As of September 30, 2003 and December 31, 2002, the carrying value of such Properties was $684 million and $720 million, respectively.

The outstanding mortgage indebtedness consists of:

- A $265.0 million mortgage note (the "$265 Million Mortgage") collateralized by 28 Properties beneficially owned by MHC Financing Limited Partnership. The $265 Million Mortgage has a maturity date of January 2, 2028 and pays interest at a rate of 7.015% per annum. There is no principal amortization until February 1, 2008, after which principal and interest are to be paid from available cash flow and the interest rate will be reset at a rate equal to the then 10-year U.S. Treasury obligations plus 2.0%. The $265 Million Mortgage is recorded net of a hedge of $3.0 million (net of accumulated amortization of $329,000) that is being amortized into interest expense over the life of the loan.

- A $91.7 million mortgage note (the "DeAnza Mortgage") collateralized by 6 Properties beneficially owned by MHC-DeAnza Financing Limited Partnership. The DeAnza Mortgage bears interest at a rate of 7.82% per annum, amortizes beginning August 1, 2000 over 30 years and matures July 1, 2010.

- A $49 million mortgage note (the "Stagecoach Mortgage") collateralized by 7 Properties beneficially owned by MHC Stagecoach L.L.C. The Stagecoach Mortgage bears interest at a rate of 6.98% per annum, amortizes beginning September 1, 2001 over 10 years and matures September 1, 2011.

- A $44.7 million mortgage note (the "Bay Indies Mortgage") collateralized by one Property beneficially owned by MHC-Bay Indies Financing Limited Partnership. On April 17, 2003, we entered into an agreement to refinance and increase the Bay Indies Mortgage from approximately $21.9 million to $45 million. Under the new agreement, the Bay Indies Mortgage bears interest at 5.69% per annum, amortizes over 25 years and matures April 17, 2013.

- A $15.4 million mortgage note (the "Date Palm Mortgage") collateralized by one Property beneficially owned by MHC Date Palm, L.L.C. The Date Palm Mortgage bears interest at a rate of 7.96% per annum, amortizes beginning August 1, 2000 over 30 years and matures July 1, 2010.

- Approximately $115.3 million of mortgage debt on 23 other various Properties, which was recorded at fair market value with the related discount or premium being amortized over the life of the loan using the effective interest rate. Scheduled maturities for the outstanding indebtedness are at various dates through November 30, 2020, and fixed interest rates range from 6.5% to 9.3% per annum. Included in this debt, the Company has a $2.4 million loan recorded to account for a direct financing lease entered into in May 1997.

We have an unsecured line of credit with a group of banks (the "Line of Credit") with a total facility of $150 million, bearing interest at the London Interbank Offered Rate ("LIBOR") plus 1.125%. In July 2003, we extended the maturity to August 9, 2004. We pay a quarterly fee on the average unused amount of such credit equal to 0.15% of such amount. As of September 30, 2003, $91.5 million was available under the Line of Credit.

We have a $100 million unsecured term loan (the "Term Loan") with a group of banks with interest only payable monthly at a rate of LIBOR plus 1.375%. The Term Loan was scheduled to mature on August 9, 2003 with two one-year extension options with which we may extend the maturity through August 9, 2005. In July 2003, we exercised our extension option through August 9, 2004.

NOTE 7 - LONG-TERM BORROWINGS (CONTINUED)

On October 29, 2001, we entered into an interest rate swap agreement (the "2001 Swap"), effectively fixing the LIBOR rate on $100 million of our floating rate debt at approximately 3.7% per annum for the period October 2001 through August 2004. The terms of the 2001 Swap require monthly settlements on the same dates interest payments are due on the debt. Effective January 1, 2001, the Company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133") and its amendments, SFAS No. 137 and SFAS No. 138. In accordance with SFAS No. 133, the interest rate swap will be reflected at market value. We believe the 2001 Swap is a perfectly effective cash flow hedge, under SFAS No. 133, and there is no effect on net income as a result of the mark-to-market adjustment. As of September 30, 2003, the hedge represented a liability of approximately $3.4 million and is recorded in accounts payable and accrued expenses. Mark-to-market changes in the value of the 2001 Swap are included in other comprehensive income.

NOTE 8 - STOCK-BASED COMPENSATION

Prior to 2003 we accounted for our stock compensation in accordance with APB No. 25, "Accounting for Stock Issued to Employees", based upon the intrinsic value method. This method results in no compensation expense for options issued with an exercise price equal to or exceeding the market value of the Common Shares on the date of grant. Effective January 1, 2003, we elected to account for our stock-based compensation in accordance with SFAS No. 123 and its amendment (SFAS No. 148), "Accounting for Stock Based Compensation", which will result in compensation expense being recorded based on the fair value of the stock option compensation issued. SFAS No. 148 provides three possible transition methods for changing to the fair value method. We have elected to use the modified-prospective method. This method requires that we recognize stock-based employee compensation cost from the beginning of the fiscal year in which the recognition provisions are first applied as if the fair value method had been used to account for all employee awards granted, or settled in fiscal years beginning after December 15, 1994. The following table illustrates the effect on net income and earnings per share as if the fair value method was applied to all outstanding and unvested awards in each period presented:

	QUARTERS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2003	2002	2003	2002
Net income available for Common Shares as reported..................	$ 5,208	$ 6,712	$ 27,282	$ 20,261
Add: Stock-based compensation expense included in net income as reported............................	448	615	1,469	242
Deduct: Stock-based compensation expense determined under the fair value based method for all awards...	(448)	(523)	(1,469)	(1,352)
Pro forma net income available for Common Shares.......................	$ 5,208	$ 6,804	$ 27,282	$ 19,151
Pro forma net income per Common Share - Basic.......................	$ .24	$ .31	$ 1.24	$ .89
Pro forma net income per Common Share - Fully Diluted...............	$ .23	$ .31	$ 1.21	$ .87

Pursuant to the Stock Option Plan as discussed in Note 14 to the 2002 Form 10-K, certain officers, directors, employees and consultants have been offered the opportunity to acquire shares of common stock of the Company through stock options ("Options"). During the nine months ended September 30, 2003, Options for 207,187 shares of common stock were exercised.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

DEANZA SANTA CRUZ MOBILE ESTATES

The residents of DeAnza Santa Cruz Mobile Estates, a property located in Santa Cruz, California, brought several actions opposing fees and charges in connection with water service at the property. As a result of one action, the Company rebated approximately $36,000 to the residents. The DeAnza Santa Cruz Homeowners Association ("HOA") then proceeded to a jury trial alleging these "overcharges" entitled them to an award of punitive damages. In January 1999, a jury awarded the HOA $6.0 million in punitive damages. On December 21, 2001 the California Court of Appeal for the Sixth District reversed the $6.0 million punitive damage award, the related award of attorneys' fees, and, as a result, all post-judgment interest thereon, on the basis that punitive damages are not available as a remedy for a statutory violation of the California Mobilehome Residency Law ("MRL"). The decision of the appellate court left the HOA, the plaintiff in this matter, with the right to seek a new trial in which it must prove its entitlement to either the statutory penalty and attorneys' fees available under the MRL or punitive damages based on causes of action for fraud, misrepresentation or other tort. In order to resolve this matter, the Company accrued for and agreed to pay $201,000 to the HOA. This payment resolves the punitive damage claim. The HOA's attorney has made a motion asking for an award of attorneys' fees and costs in the amount of approximately $1.5 million as a result of this resolution of the litigation. On April 2, 2003 the court awarded attorney's fees to the HOA's attorney in the amount of $593,000 and court costs of approximately $20,000. The Company has appealed this award.

OTHER CALIFORNIA RENT CONTROL LITIGATION

As part of the Company's effort to realize the value of its Properties subject to rent control, the Company has initiated lawsuits against several municipalities in California. The Company's goal is to achieve a level of regulatory fairness in California's rent control jurisdictions, and in particular those jurisdictions that prohibit increasing rents to market upon turnover. This regulatory feature, called vacancy control, allows tenants to sell their homes for a premium representing the value of the future discounted rent-controlled rents. In the Company's view, such regulation results in a transfer of the value of the Company's shareholders' land, which would otherwise be reflected in market rents, to tenants upon the sales of their homes in the form of an inflated purchase price that cannot be attributed to the value of the home being sold. As a result, in the Company's view, the Company loses the value of its asset and the selling tenant leaves the community with a windfall premium. The Company has discovered through the litigation process that certain municipalities considered condemning the Company's communities at values well below the value of the underlying land. In the Company's view, a failure to articulate market rents for sites governed by restrictive rent control would put the Company at risk for condemnation or eminent domain proceedings based on artificially reduced rents. Such a physical taking, should it occur, could represent substantial lost value to shareholders. The Company is cognizant of the need for affordable housing in the jurisdictions, but asserts that restrictive rent regulation with vacancy control does not promote this purpose because the benefits of such regulation are fully capitalized into the prices of the homes sold. The Company estimates that the annual rent subsidy to tenants in these jurisdictions is approximately $15 million. In a more well-balanced regulatory environment, the Company would receive market rents that would eliminate the subsidy and homes would trade at or near their intrinsic value.

In connection with such efforts, the Company recently announced it has entered into a settlement agreement with the City of Santa Cruz, California and that, pursuant to the settlement agreement, the City amended its rent control ordinance to exempt the Company's property from rent control as long as the Company offers a long term lease which gives the Company the ability to increase rents to market upon turnover and bases annual rent increases on the Consumer Price Index ("CPI"). The settlement agreement benefits the Company's shareholders by allowing them to receive the value of their investment in this community through vacancy decontrol while preserving annual CPI based rent increases in this age restricted property.

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

OTHER CALIFORNIA RENT CONTROL LITIGATION (CONTINUED)

The Company's efforts to achieve a balanced regulatory environment incentivize tenant groups to file lawsuits against the Company seeking large damage awards. The homeowners association at Contempo Marin ("CMHOA"), a 396 site property in San Rafael, California, sued the Company in December 2000 over a prior settlement agreement on a capital pass-through after the Company sued the City of San Rafael in October 2000 alleging its rent control ordinance is unconstitutional. In the Contempo Marin case, the CMHOA prevailed on a motion for summary judgment on an issue that permits the Company to collect only $3.72 out of a pass-through amount of $7.50 that the Company believes had been agreed to by the CMHOA in a settlement agreement. The Company intends to vigorously defend this matter, which has been stayed pending a related state court appeal by the Company of an order dismissing its claims against the City of San Rafael. The Company believes that such lawsuits will be a consequence of the Company's efforts to change rent control since tenant groups actively desire to preserve the premium value of their homes in addition to the discounted rents provided by rent control. The Company has determined that its efforts to rebalance the regulatory environment despite the risk of litigation from tenant groups are necessary not only because of the $15 million annual subsidy to tenants, but also because of the condemnation risk.

ELLENBURG COMMUNITIES

The Company and certain other parties entered into a settlement agreement (the "Settlement"), which was approved by the Los Angeles County Superior Court in April 2000. The Settlement resolved substantially all of the litigation and appeals involving the Ellenburg Properties, and transactions arising out of the Settlement closed on May 22, 2000. Only the appeal of one entity remains, the outcome of which is not expected to materially affect the Company.

In connection with the Ellenburg Acquisition, on September 8, 1999, Ellenburg Fund 20 ("Fund 20") filed a cross complaint in the Ellenburg dissolution proceeding against the Company and certain of its affiliates alleging causes of action for fraud and other claims in connection with the Ellenburg Acquisition. The Company subsequently successfully had the cross complaint against the Company and its affiliates dismissed with prejudice by the California Superior Court. However, Fund 20 appealed. Although this appeal was one not resolved by the Settlement, the California Court of Appeal dismissed Fund 20's substantive appeals on March 13, 2003 as moot. Fund 20 petitioned the California Supreme Court to review this decision which review was denied.

In October 2001, Fund 20 sued the Company and certain of its affiliates again, this time in Alameda County, California making substantially the same allegations. The Company obtained an injunction preventing the case from proceeding until the Fund 20 appeal is decided and other related proceedings in Arizona (from which the Company has already been dismissed with prejudice) are concluded. The Company obtained a court order enjoining Fund 20 from proceeding with its Alameda County action. However, the Company expects Fund 20 to appeal this order. The Company believes Fund 20's allegations are without merit and will vigorously defend itself if the Court does not permanently enjoin the action or cause it to be otherwise dismissed.

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

COUNTRYSIDE AT VERO BEACH

The Company has received letters dated June 17, 2002 and August 26, 2002 from Indian River County ("County"), claiming that the Company currently owes sewer impact fees in the amount of approximately $518,000 with respect to the Property known as Countryside at Vero Beach, located in Vero Beach, Florida, purportedly under the terms of an agreement between the County and a prior owner of the Property. In response, the Company has advised the County that these fees are no longer due and owing as a result of a 1996 settlement agreement between the County and the prior owner of the Property, providing for the payment of $150,000 to the County to discharge any further obligation for the payment of impact or connection fees for sewer service at the Property. The Company paid this settlement amount (with interest) to the County in connection with the Company's acquisition of the Property. Accordingly, the Company believes that the County's claims are without merit.

DELAWARE DECLARATORY JUDGMENT ACTION

In April 2002, the Company entered into a Stipulation and Consent Order to Cease and Desist (the "Consent Order") with the State of Delaware (the "State"). The Consent Order resolved various issues raised by the State concerning the terms of a new lease form used or proposed for use by the Company at certain of its Properties in Delaware. Among other provisions, the Consent Order contemplated that the Company would work with the State to develop and implement a new lease form for use in Delaware. The Consent Order expressly provided that nothing contained therein would preclude the Company from seeking declaratory relief from a court as to the legality or enforceability of any provisions which the Company might wish to incorporate in future leases.

Throughout the summer of 2002, the Company's Delaware legal counsel engaged in dialogue with representatives of the State concerning various matters, including the lease provisions to which the State had objected but which the Company wished to incorporate in future leases. Through this process, it became apparent that the parties could not reach agreement as to the legality or enforceability of the proposed lease provisions, and that the Company would need to seek declaratory relief from a court in order to resolve the matter, as contemplated by the Consent Order. Accordingly, on August 29, 2002, the Company filed a Petition for Declaratory Judgment and Other Relief (as amended, the "Petition") in Sussex County, Delaware Superior Court (the "Court").

In response to the filing of the Petition, on October 1, 2002, the State filed its Answer to Petition for Declaratory and Other Relief, and Counterclaims for Civil Enforcement and Contempt (as amended, "Answer and Counterclaim") with the Court. In the Answer and Counterclaim, the State sought, inter alia, restitution, statutory penalties, investigative costs and attorneys' fees under the Delaware Mobile Home Lots and Leases Act, the Consumer Fraud Act, the Uniform Deceptive Trade Practices Act and the Delaware Consumer Contracts law, and separately sought a finding of contempt and related contempt penalties for alleged violations of the Consent Order.

The Company filed a Motion to Dismiss Respondents' Counterclaims with the Court on October 29, 2002, and the State filed a Motion for Summary Judgment with the Court on November 15, 2002. On December 30, 2002, the Company filed a First Amended Petition for Declaratory Judgment and Other Relief with the Court, and on January 31, 2003, the State filed an Amended Answer and Counterclaim with the Court.

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

DELAWARE DECLARATORY JUDGMENT ACTION (CONTINUED)

On August 29, 2003, the Court issued its decision disposing of all pending claims in the litigation except one. Specifically, the Court held, inter alia, that (i) the Company may eliminate the rent cap formula from existing leases at certain of its Delaware Properties as the leases come up for renewal, (ii) certain lease provisions proposed by the Company may not be implemented or enforced under applicable state law, (iii) the change in water supplier at one of the Properties did not violate the leases at such Property, (iv) the Company did not violate the Consent Order by filing the Petition, and (v) the Company did not violate any state statutes as alleged by the State.

The August 29, 2003 decision left open the issue of whether the Company had violated the Consent Order by continuing to use the disputed lease form (but not enforce the provisions at issue) at one of its Properties following entry of the Consent Order (the Company believed that it had no choice but to continue to use this lease form until the State had approved a new form for use at the Property as contemplated by the Consent Order). On October 3, 2003, the Court issued its final order, finding that continued use of the disputed lease form, as to new tenants but not as to renewal tenants, following entry of the Consent Order constituted a violation thereof, and assessing a civil penalty in the amount of $5,000.

On November 3, 2003, the state filed a Notice of Appeal with the Supreme Court of the State of Delaware, appealing the Court's order denying the State's Motion for Summary Judgment. The Company intends to vigorously contest such appeal.

OTHER

The Company is involved in various other legal proceedings arising in the ordinary course of business. Management believes that all proceedings herein described or referred to, taken together, are not expected to have a material adverse impact on the Company.

NOTE 10 - SUBSEQUENT EVENTS

On October 17, 2003, MHC closed 49 mortgage loans collateralized by 51 Properties providing total proceeds of approximately $501 million at a weighted average interest rate of 5.84% and with a weighted average maturity of approximately 9 years. Approximately $170 million of the proceeds were used to repay amounts outstanding on the Company's line of credit and term loan.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

The following is a discussion of the interim results of operations, financial condition and liquidity and capital resources of the Company for the quarter and nine months ended September 30, 2003 compared to the corresponding period in 2002. It should be read in conjunction with the Consolidated Financial Statements and Notes thereto included herein and the 2002 Form 10-K. The following discussion may contain certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which reflect management's current views with respect to future events and financial performance. Such forward-looking statements are subject to certain risks and uncertainties, including, but not limited to, the effects of future events on the Company's financial performance, the adverse impact of external factors such as inflation and consumer confidence, and the risks associated with real estate ownership.

RESULTS OF OPERATIONS

PROPERTY ACQUISITIONS, JOINT VENTURES AND DISPOSITIONS

The following chart lists the Properties acquired or sold since January 1, 2002. The Company defines its core manufactured home community portfolio ("Core Portfolio") as manufactured home Properties owned throughout both periods of comparison. Excluded from the Core Portfolio are any Properties acquired or sold during the period and also any recreational vehicle resorts ("Resorts") which, together, are referred to as the "Non-Core" Properties.

PROPERTY	TRANSACTION DATE	SITES
TOTAL SITES AS OF JANUARY 1, 2002		50,663
ACQUISITIONS:		
Mt. Hood Village	March 12, 2002	450
Harbor View	July 10, 2002	471
Countryside	July 31, 2002	560
Golden Sun	July 31, 2002	329
Breezy Hill	July 31, 2002	762
Highland Woods	August 14, 2002	148
Holiday Village	July 31, 2002	301
Tropic Winds	August 7, 2002	531
Silk Oak Lodge	October 1, 2002	180
Hacienda Village	December 18, 2002	519
Glen Ellen	December 31, 2002	117
EXPANSION SITE DEVELOPMENT AND OTHER:		
Sites added or reconfigured in 2002		90
Sites added or reconfigured in 2003		(47)
DISPOSITIONS:		
College Heights (17 properties)	September 1, 2002	(3,220)
Camelot Acres	November 13, 2002	(319)
Independence Hill	June 6, 2003	(203)
Brook Gardens	June 6, 2003	(424)
Pheasant Ridge	June 30, 2003	(101)
TOTAL SITES AS OF SEPTEMBER 30, 2003		50,807

RESULTS OF OPERATIONS (CONTINUED)

TRENDS

Occupancy in our Properties as well as our ability to increase rental rates directly affect revenues. In 2003, occupancy in our Core Portfolio decreased 1.9%. Also during 2003, average monthly base rental rates for the Core Portfolio increased approximately 5.0%. We project continued growth during the remainder of 2003 in our Core Portfolio performance. Core Portfolio base rental-rate growth is expected to be approximately 5 percent. Assuming current economic conditions continue to impact occupancies, overall revenue growth will be approximately 3 percent. Core Portfolio operating expenses are expected to grow in excess of CPI due to continued increases in insurance, real estate taxes and utility expenses. These projections would result in growth of approximately 2.5 percent in Core Portfolio income from operations (also referred to as net operating income or "NOI").

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States, which require us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosures. We believe that the following critical accounting policies, among others, affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

We periodically evaluate our long-lived assets, including our investments in real estate, for impairment indicators. Our judgments regarding the existence of impairment indicators are based on factors such as operational performance, market conditions and legal factors. Future events could occur which would cause us to conclude that impairment indicators exist and an impairment loss is warranted.

The valuation of financial instruments under Statement of Financial Accounting Standards No. 107, "Disclosures About Fair Value of Financial Instruments" ("SFAS No. 107") and Statement of Financial Accounting Standards No. 133 ("SFAS No. 133"), "Accounting for Derivative Instruments and Hedging Activities" requires us to make estimates and judgments that affect the fair value of the instruments. Where possible, we base the fair values of our financial instruments, including our derivative instruments, on listed market prices and third party quotes. Where these are not available, we base our estimates on other factors relevant to the financial instrument.

Real estate is recorded at cost less accumulated depreciation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. We use a 30-year estimated life for buildings acquired and structural and land improvements, a ten-to-fifteen-year estimated life for building upgrades and a three-to-seven-year estimated life for furniture, fixtures and equipment. Expenditures for ordinary maintenance and repairs are expensed to operations as incurred and significant renovations and improvements that improve the asset and extend the useful life of the asset are capitalized over their estimated useful life. The determination of useful lives, salvage value, and depreciation method used are in conformity with GAAP. However, the useful lives, salvage value, and customary depreciation method used for land improvements and other significant assets may significantly and materially overstate the depreciation of the underlying assets and therefore understate the Net Income of the Company. In addition, the Financial Accounting Standards Board ("FASB") is currently reviewing the methods of depreciation and cost capitalization for all industries and in June 2001 issued FASB Exposure Draft, "Accounting in Interim and Annual Financial Statements for Certain Costs and Activities Related to Property, Plant and Equipment", the implementation of which, if issued, could also have a material effect on the Company's results of operations.

RESULTS OF OPERATIONS (CONTINUED)

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

Certain costs, primarily legal costs, relative to our efforts to effectively change the use and operations of several Properties subject to rent control are currently classified in other assets. These costs, to the extent these efforts are successful, are capitalized to the extent of the established value of the revised project and included in the net investment in real estate for the appropriate Properties. To the extent these efforts are not successful, these costs will be expensed. In addition, we capitalize certain costs, primarily legal costs, related to entering into lease agreements which govern the terms under which we may enter into leases with individual tenants and which are expensed over the term of the lease agreement.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"). FIN 46 requires a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. The Company will adopt FIN 46 in the fourth quarter of 2003 and we have determined adoption will not have a material effect on the financial results of the Company.

Prior to 2003 we accounted for our stock compensation in accordance with APB No. 25, "Accounting for Stock Issued to Employees", based upon the intrinsic value method. This method results in no compensation expense for options issued with an exercise price equal to or exceeding the market value of the Common Shares on the date of grant. Effective January 1, 2003, we elected to account for our stock-based compensation in accordance with SFAS No. 123 and its amendment (SFAS No. 148), "Accounting for Stock Based Compensation", which will result in compensation expense being recorded based on the fair value of the stock option compensation issued. SFAS 148 provides three possible transition methods for changing to the fair value method. We have elected to use the modified-prospective method. This method requires that we recognize stock-based employee compensation cost from the beginning of the fiscal year in which the recognition provisions are first applied as if the fair value method had been used to account for all employee awards granted, or settled in fiscal years beginning after December 15, 1994. The following table illustrates the effect on net income and earnings per share as if the fair value method was applied to all outstanding and unvested awards in each period presented:

	QUARTERS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2003	2002	2003	2002
Net income available for Common Shares as reported....................	$ 5,208	$ 6,712	$ 27,282	$ 20,261
Add: Stock-based compensation expense included in net income as reported..............................	448	615	1,469	242
Deduct: Stock-based compensation expense determined under the fair value based method for all awards.....	(448)	(523)	(1,469)	(1,352)
Pro forma net income available for Common Shares.........................	$ 5,208	$ 6,804	$ 27,282	$ 19,151
Pro forma net income per Common Share - Basic.........................	$ .24	$ .31	$ 1.24	$ .89
Pro forma net income per Common Share - Fully Diluted................	$ .23	$ .31	$ 1.21	$ .87

RESULTS OF OPERATIONS (CONTINUED)

COMPARISON OF THE QUARTER ENDED SEPTEMBER 30, 2003 TO THE QUARTER ENDED SEPTEMBER 30, 2002

Since December 31, 2001, the gross investment in real estate has increased from $1,238 million to $1,291 million. The total number of sites owned or controlled has increased from 50,663 as of December 31, 2001 to 50,807 as of September 30, 2003.

PROPERTY OPERATIONS:

The following table summarizes certain financial and statistical data for the Property Operations for the Core Portfolio and the Total Portfolio for the quarters ended September 30, 2003 and 2002.

	CORE PORTFOLIO				TOTAL PORTFOLIO			
(dollars in thousands)	2003	2002	INCREASE / (DECREASE)	% CHANGE	2003	2002	INCREASE / (DECREASE)	% CHANGE
Community base rental income	$ 47,888	$ 46,441	$ 1,447	3.1%	$ 49,203	$ 48,858	$ 345	0.1%
Resort base rental income	142	144	(2)	(1.4%)	2,144	1,770	374	21.1%
Utility and other income	4,688	4,487	201	4.5%	4,904	4,737	167	3.5%
Property operating revenues ...	52,718	51,072	1,646	3.2%	56,251	55,365	886	1.6%
Property operating and maintenance	14,295	13,699	596	4.4%	16,283	15,860	423	2.7%
Real estate taxes	4,192	3,991	201	5.0%	4,577	4,321	256	5.9%
Property management	2,216	2,136	80	3.7%	2,364	2,329	35	1.5%
Property operating expenses ...	20,703	19,826	877	4.4%	23,224	22,510	714	3.2%
Income from property operations	$ 32,015	$ 31,246	$ 769	2.5%	$ 33,027	$ 32,855	$ 172	0.5%
Site and Occupancy Information (1):								
Average total sites	41,568	41,587	(19)	(0.1%)	43,131	42,259	872	2.1%
Average occupied sites	37,745	38,443	(698)	(1.8%)	39,213	39,086	127	0.1%
Occupancy %	90.8%	92.4%	(1.6%)	(1.6%)	90.9%	92.5%	(1.6%)	(1.6%)
Monthly base rent per site	$ 422.91	$ 402.69	$ 20.22	5.0%	$ 418.25	$ 400.16	$ 18.09	4.5%
Total sites As of September 30, ...	41,568	41,586	(18)	(0.1%)	43,131	42,358	773	1.8%
Total occupied sites As of September 30, ...	37,694	38,392	(698)	(1.8%)	39,162	39,122	40	0.1%

(1) Site and occupancy information excludes Resort sites and Properties owned through joint ventures.

RESULTS OF OPERATIONS (CONTINUED)

Property Operating Revenues

The 3.1% increase in Community base rental income for the Core Portfolio reflects a 5.0% increase in monthly base rent per site coupled with a 1.9% decrease in average occupied sites.

Property Operating Expenses

The increase in property operating and maintenance expense for the Core Portfolio is due primarily to increases in property payroll, utility expense, repair and maintenance and administrative expenses. The increase in Core Portfolio real estate taxes is generally due to higher property assessments on certain Properties. Property management expense for the Core Portfolio, which reflects costs of managing the Properties and is estimated based on a percentage of Property revenues, increased by 3.7%.

HOME SALES OPERATIONS:

The following table summarizes certain financial and statistical data for the Home Sales Operations for the quarters ended September 30, 2003 and 2002.

	HOME SALES OPERATIONS			
(dollars in thousands)	2003	2002	INCREASE / (DECREASE)	% CHANGE
Gross revenues from new home sales	$ 10,394	$ 8,328	$ 2,066	24.8%
Cost of new home sales	(9,136)	(6,584)	2,552	38.8%
Gross profit from new home sales	1,258	1,744	(486)	(27.9%)
Gross revenues from used home sales	1,005	792	213	26.9%
Cost of used home sales	(979)	(820)	159	19.4%
Gross profit from used home sales	26	(28)	54	192.9%
Brokered resale revenues, net	491	348	143	41.1%
Home selling expenses	(1,971)	(1,934)	37	1.9%
Ancillary services revenues, net	(125)	(62)	63	101.6%
(Loss) income from home sales and other	$ (321)	$ 68	$ (389)	(572.0%)
HOME SALES VOLUMES:				
New home sales	137	112	25	22.3%
Used home sales	53	48	5	10.4%
Brokered home resales	287	216	71	32.9%

New home sales gross profit reflects a 22.3% increase in sales volume coupled with an 8.8% decrease in average profit margins. The average selling price of new homes increased approximately $1,511 or 2.0% compared to 2002. Used home sales gross profit reflects an increase in gross margin on used home sales, and increased sales volume. Brokered resale revenues increased 41.1% compared to the prior year due to higher volume.

RESULTS OF OPERATIONS (CONTINUED)

OTHER INCOME AND EXPENSES:

The decrease in other income and expenses reflects increased income from joint ventures and interest income and a decrease in interest expense. Interest expense decreased due to a decrease in the weighted average interest rate for outstanding debt.

COMPARISON OF THE NINE MONTHS ENDED SEPTEMBER 30, 2003 TO THE NINE MONTHS ENDED SEPTEMBER 30, 2002

The following table summarizes certain financial and statistical data for the Property Operations for the Core Portfolio and the Total Portfolio for the nine months ended September 30, 2003 and 2002.

	CORE PORTFOLIO				TOTAL PORTFOLIO			
(dollars in thousands)	2003	2002	INCREASE / (DECREASE)	% CHANGE	2003	2002	INCREASE / (DECREASE)	% CHANGE
Community base rental income	$143,726	$139,101	4,625	3.3%	$147,675	$147,064	$ 611	0.1%
Resort base rental income	443	390	53	13.6%	8,076	5,425	2,651	48.8%
Utility and other income	14,295	14,115	180	1.3%	15,327	15,150	177	1.2%
Property operating revenues ...	158,464	153,606	4,858	3.2%	171,078	167,639	3,439	2.1%
Property operating and maintenance	42,483	40,749	1,734	4.3%	48,828	47,062	1,766	3.8%
Real estate taxes	12,778	12,186	592	4.9%	13,960	13,354	606	4.5%
Property management	6,386	6,451	(65)	(1.0%)	6,992	7,003	(11)	(0.1%)
Property operating expenses ...	61,647	59,386	2,261	3.8%	69,780	67,419	2,361	3.5%
Income from property operations	$ 96,817	$ 94,220	$ 2,597	2.8%	$101,298	$100,220	$ 1,078	1.1%
Site and Occupancy Information (1):								
Average total sites	41,567	41,575	(8)	(0.1%)	43,131	43,919	(788)	(1.8%)
Average occupied sites	38,008	38,674	(666)	(1.7%)	39,478	40,817	(1,339)	(3.3%)
Occupancy %	91.4%	93.0%	(1.6%)	(1.6%)	91.5%	92.9%	(1.4%)	(1.4%)
Monthly base rent per site	$ 420.17	$ 399.64	$ 20.53	5.1%	$ 415.63	$ 395.06	$ 20.57	5.2%

(1) Site and occupancy information excludes Resort sites and Properties owned through joint ventures.

Property Operating Revenues

The 3.3% increase in base rental income for the Core Portfolio reflects a 5.1% increase in monthly base rent per site coupled with a 1.8% decrease in average occupied sites.

RESULTS OF OPERATIONS (CONTINUED)

Property Operating Expenses

The increase in property operating and maintenance expense for the Core Portfolio is due primarily to increases in property payroll, insurance and other expenses, utility expense, repair and maintenance expenses and administrative expense. The increase in Core Portfolio real estate taxes is generally due to higher property assessments on certain Properties. Property management expense for the Core Portfolio, which reflects costs of managing the Properties and is estimated based on a percentage of Property revenues, remained relatively stable.

HOME SALES OPERATIONS:

The following table summarizes certain financial and statistical data for the Home Sales Operations for the nine months ended September 30, 2003 and 2002.

	HOME SALES OPERATIONS			
(dollars in thousands)	2003	2002	INCREASE/ (DECREASE)	% CHANGE
Gross revenues from new home sales	$ 22,654	$ 20,057	2,597	12.9%
Cost of new home sales	(19,413)	(15,673)	3,740	23.9%
Gross profit from new home sales	3,241	4,384	(1,143)	(26.1%)
Gross revenues from used home sales	2,404	1,718	686	39.9%
Cost of used home sales	(2,328)	(1,386)	942	68.0%
Gross profit from used home sales	76	332	(256)	(77.1%)
Brokered resale revenues, net	1,321	1,234	87	7.1%
Home selling expenses	(5,669)	(6,061)	(392)	(6.5%)
Ancillary services revenues, net	244	604	(360)	(59.6%)
(Loss) income from home sales and other	$ (787)	$ 493	(1,280)	(259.6%)
HOME SALES VOLUMES:				
New home sales	307	273	34	12.5%
Used home sales	142	126	16	12.7%
Brokered home resales	829	759	70	9.2%

New home sales gross profit reflects a 12.5% increase in sales volume coupled with a 7.6% decrease in average profit margins. Used home sales gross profit reflects a decrease in gross margin on used home sales, partially offset by increased sales volume. Brokered resale revenues increased 7.1% compared to the prior year due to higher volume. The 6.4% decrease in home selling expenses primarily reflects reductions in payroll and advertising expenses.

LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

As of September 30, 2003, the Company had $18.0 million in cash and cash equivalents and $91.5 million available on its line of credit. The Company expects to meet its short-term liquidity requirements, including its distributions, generally through its working capital, net cash provided by operating activities and availability under the existing line of credit. The Company expects to meet certain long-term liquidity requirements such as scheduled debt maturities, property acquisitions and capital improvements by long-term collateralized and uncollateralized borrowings including borrowings under its existing line of credit and the issuance of debt securities or additional equity securities in the Company, in addition to working capital.

INFLATION

Substantially all of the leases at the Properties allow for monthly or annual rent increases which provide the Company with the opportunity to achieve increases, where justified by the market, as each lease matures. Such types of leases generally minimize the risk of inflation to the Company.

ACQUISITIONS AND DISPOSITIONS

During the nine months ended September 30, 2003 we sold three properties listed in the table below. Proceeds from the sales were used to repay amounts on the Company's line of credit. Also during the same period we acquired a parcel of land adjacent to one of our Properties for approximately $97,000.

DATE DISPOSED	PROPERTY	LOCATION	TOTAL SITES	DISPOSITION PRICE ($ millions)	GAIN ON SALE ($ millions)
June 6, 2003	Independence Hill	Morgantown, West Virginia	203	$ 3.9	$ 2.8
June 6, 2003	Brook Gardens	Hamburg, New York	424	17.8	4.1
June 30, 2003	Pheasant Ridge	Mount Airy, Maryland	101	5.4	3.9
			728	$ 27.1	$ 10.8

INVESTMENTS IN JOINT VENTURES

During the nine months ended September 30, 2003, the Company recorded approximately $1.6 million of net income from joint ventures and received approximately $1.2 million in distributions.

CAPITAL IMPROVEMENTS

Capital expenditures for improvements are identified by the Company as recurring capital expenditures ("Recurring CapEx"), site development costs and corporate headquarters costs. Recurring CapEx was approximately $8.7 million for the nine months ended September 30, 2003. Site development costs were approximately $5.5 million for the nine months ended September 30, 2003, and represent costs to develop expansion sites at certain of the Company's Properties and costs for improvements to sites when a smaller used home is replaced with a larger new home.

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

EQUITY TRANSACTIONS

In order to qualify as a REIT for federal income tax purposes, the Company must distribute 90% or more of its taxable income (excluding capital gains). The following distributions have been declared and/or paid to common stockholders and minority interests since January 1, 2003.

DISTRIBUTION AMOUNT PER SHARE	FOR THE QUARTER ENDING	SHAREHOLDER DATE	PAYMENT DATE
$0.4750	December 31, 2002	December 27, 2002	January 10, 2003
$0.4950	March 31, 2003	March 28, 2003	April 14, 2003
$0.4950	June 30, 2003	June 27, 2003	July 14, 2003
$0.4950	September 30, 2003	September 26, 2003	October 10, 2003

The Operating Partnership paid distributions of 9.0% per annum on the $125 million of Series D Cumulative Redeemable Perpetual Preferred Units ("Preferred Units"). Distributions on the Preferred Units of $ 2.8 million were paid on March 31, 2003, June 30, 2003 and September 30, 2003.

MORTGAGES AND CREDIT FACILITIES

On April 17, 2003, we entered into an agreement to refinance and increase the Bay Indies Mortgage from approximately $21.9 million to $45 million. Under the new agreement, the Bay Indies Mortgage bears interest at 5.69% per annum, amortizes over 25 years and matures April 17, 2013. The net proceeds were used to pay down the Company's line of credit. Also during the nine months ended September 30, 2003, mortgage notes payable on two other properties were repaid totaling approximately $16.2 million using proceeds from borrowings on the Company's line of credit.

Throughout the nine months ended September 30, 2003, the Company borrowed $42.0 million on its line of credit and repaid $68.3 million on the line of credit. The line of credit bears interest at a rate of LIBOR plus 1.125%.

Certain of the Company's mortgage and credit agreements contain covenants and restrictions including restrictions as to the ratio of secured or unsecured debt versus encumbered or unencumbered assets, the ratio of fixed charges-to-earnings before interest, taxes, depreciation and amortization ("EBITDA"), limitations on certain holdings and other restrictions.

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

FUNDS FROM OPERATIONS

Funds From Operations ("FFO"), a non-GAAP financial performance measure, was redefined by the National Association of Real Estate Investment Trusts ("NAREIT") in April 2002, as net income (computed in accordance with GAAP), before allocation to minority interests, excluding gains (or losses) from sales of property, plus real estate depreciation and after adjustments for unconsolidated partnerships and joint ventures. The Company computes FFO in accordance with the NAREIT definition, which may differ from the methodology for calculating FFO utilized by other equity REITs and, accordingly, may not be comparable to such other REIT's computations. The Company believes that FFO is useful to investors as a measure of the performance of an equity REIT because, along with cash flows from operating activities, financing activities and investing activities, FFO provides investors an understanding of the ability of the Company to incur and service debt and to make capital expenditures. FFO does not represent cash generated from operating activities in accordance with GAAP and therefore should not be considered an alternative to net income as an indication of the Company's performance or to net cash flows from operating activities as determined by GAAP as a measure of liquidity and are not necessarily indicative of cash available to fund cash needs.

The following table presents a calculation of FFO for the quarters and nine months ended September 30, 2003 and 2002 (amounts in thousands):

	QUARTERS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2003	2002	2003	2002
COMPUTATION OF FUNDS FROM OPERATIONS:				
Net income available for Common Shares..................	$ 5,208	$ 6,712	$ 27,282	$ 20,261
Income allocated to common OP Units.....................	1,248	1,645	6,539	5,007
Depreciation on real estate assets......................	9,446	8,816	28,037	26,631
Depreciation on real estate assets held-for-sale........	---	121	129	362
Gain on the sale of Properties and other................	---	(1,270)	(10,826)	(1,270)
Funds from operations................................	$ 15,902	$ 16,024	$ 51,161	$ 50,991
Weighted average Common Stock outstanding - diluted	28,148	27,693	27,952	27,622

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our earnings are affected by changes in interest rates, since a portion of our outstanding indebtedness is at variable rates based on LIBOR. Our Line of Credit ($58.5 million outstanding at September 30, 2003) bears interest at LIBOR plus 1.125%, per annum and our $100 million Term Loan bears interest at LIBOR plus 1.375%. If LIBOR increased/decreased by 1.0% during the nine months ended September 30, 2003, interest expense would have increased/decreased by approximately $1.3 million based on the combined average balance outstanding under the Company's Line of Credit and Term Loan during the period.

On October 29, 2001, we entered into an interest rate swap agreement (the "2001 Swap"), effectively fixing the LIBOR rate on $100 million of our floating rate debt at approximately 3.7% per annum for the period October 2001 through August 2004. The terms of the 2001 Swap require monthly settlements on the same dates interest payments are due on the debt. Effective January 1, 2001, the Company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133") and its amendments, SFAS No. 137 and SFAS No. 138. In accordance with SFAS No. 133, the interest rate swap will be reflected at market value. We believe the 2001 Swap is a perfectly effective cash flow hedge, under SFAS No. 133, and there will be no effect on net income as a result of the mark-to-market adjustment. As of September 30, 2003, the hedge represented a liability of approximately $3.4 million and is recorded in accounts payable and accrued expenses. Mark-to-market changes in the value of the 2001 Swap are included in other comprehensive income.

ITEM 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

As of the end of the reporting period, an evaluation was performed under the supervision and with the participation of the Company's management, including the CEO and CFO, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective in timely alerting them to material information.

CHANGES IN INTERNAL CONTROLS

There have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls during the quarter ended September 30, 2003.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

(see Note 9 of the Consolidated Financial Statements contained herein)

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits:

31.1 Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) Reports on Form 8-K:

Form 8-K dated and filed July 22, 2003, relating to Item 7 - "Financial Statements and Exhibits" and Item 12 - "Disclosure of Results of Operations and Financial Condition" regarding release of 2nd Quarter 2003 results of operations and financial condition.

Form 8-K dated and filed September 3, 2003, relating to Item 5 - "Other Events and Regulation FD Disclosure" regarding the Company's initiation of a process to obtain $500 million in loan commitments from an institutional lender.

Form 8-K dated and filed September 8, 2003, relating to Item 5 - "Other Events and Regulation FD Disclosure" regarding a settlement agreement the Company entered into with the City of Santa Cruz.

Form 8-K dated and filed September 15, 2003, relating to Item 5 - "Other Events and Regulation FD Disclosure" regarding the appointment of Michael Berman as the Company's Chief Financial Officer.

SIGNATURES

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 thereunto duly authorized.

MANUFACTURED HOME COMMUNITIES, INC.

BY: /s/ MICHAEL B. BERMAN

Michael B. Berman
Vice President, Treasurer and
Chief Financial Officer

BY: /s/ MARK HOWELL

Mark Howell
Principal Accounting Officer and
Assistant Treasurer

DATE: November 10, 2003

EXHIBIT 31.1

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael B. Berman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Manufactured Home Communities, Inc;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) [intentionally omitted pursuant to SEC Release No. 34-47986];

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2003

By: /s/ MICHAEL B. BERMAN

Michael B. Berman
Vice President, Treasurer and Chief Financial Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Howard Walker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Manufactured Home Communities, Inc;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) [intentionally omitted pursuant to SEC Release No. 34-47986];

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2003 By: /s/ HOWARD WALKER

Howard Walker
Chief Executive Officer

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the accompanying Quarterly Report on Form 10-Q of Manufactured Home Communities, Inc. for the quarter ended September 30, 2003, I, Michael B. Berman, Executive Vice President and Chief Financial Officer of Manufactured Home Communities, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. such Quarterly Report on Form 10-Q of Manufactured Home Communities, Inc. for the quarter ended September 30, 2003 fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in such Quarterly Report on Form 10-Q of Manufactured Home Communities, Inc. for the quarter ended September 30, 2003 fairly presents, in all material respects, the financial condition and results of operations of Manufactured Home Communities, Inc.

Date: November 10, 2003 By: /s/ MICHAEL B. BERMAN

Michael B. Berman
Vice President, Treasurer and Chief
Financial Officer

EXHIBIT 32.2

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the accompanying Quarterly Report on Form 10-Q of Manufactured Home Communities, Inc. for the quarter ended September 30, 2003, I, Howard Walker, Chief Executive Officer of Manufactured Home Communities, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. such Quarterly Report on Form 10-Q of Manufactured Home Communities, Inc. for the quarter ended September 30, 2003 fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in such Quarterly Report on Form 10-Q of Manufactured Home Communities, Inc. for the quarter ended September 30, 2003 fairly presents, in all material respects, the financial condition and results of operations of Manufactured Home Communities, Inc.

Date: November 10, 2003 By: /s/ HOWARD WALKER

Howard Walker
Chief Executive Officer