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 MARCH 31, 2004

[ ] 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:

22,894,525 shares of Common Stock as of May 6, 2004.

MANUFACTURED HOME COMMUNITIES, INC.

TABLE OF CONTENTS

PART I - FINANCIAL STATEMENTS

MANUFACTURED HOME COMMUNITIES, INC.
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2004 AND DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS, EXCEPT SHARE DATA)

	MARCH 31 2004 (UNAUDITED)	DECEMBER 31, 2003
ASSETS		
Investment in real estate:		
Land	$ 369,267	$ 282,803
Land improvements	1,173,216	911,176
Buildings and other depreciable property	122,289	121,117
	1,664,772	1,315,096
Accumulated depreciation	(283,155)	(272,497)
Net investment in real estate	1,381,617	1,042,599
Cash and cash equivalents	17,423	325,740
Notes receivable	12,193	11,551
Investment in and advances to joint ventures	50,588	18,828
Rents receivable, net	2,454	2,385
Deferred financing costs, net	14,836	14,164
Inventory	33,443	31,604
Prepaid expenses and other assets	39,227	27,044
Total assets	$ 1,551,781	$ 1,473,915
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Mortgage notes payable	$ 1,307,175	$ 1,076,183
Unsecured line of credit	35,000	--
Other notes payable	113	113
Accounts payable and accrued expenses	34,151	27,815
Accrued interest payable	7,526	5,978
Rents received in advance and security deposits	19,204	6,616
Distributions payable	441	224,696
Total liabilities	1,403,610	1,341,401
Commitments and contingencies		
Minority interest - Common OP Units and other	9,282	1,716
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; 22,881,038 and 22,563,348 shares issued and outstanding for 2004 and 2003, respectively	223	222
Paid-in capital	266,383	263,066
Deferred compensation	(412)	(494)
Distributions in excess of accumulated earnings	(252,305)	(256,996)
Total stockholders' equity	13,889	5,798
Total liabilities and stockholders' equity	$ 1,551,781	$ 1,473,915

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

MANUFACTURED HOME COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE QUARTERS ENDED MARCH 31, 2004 AND 2003
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	MARCH 31, 2004	MARCH 31, 2003
PROPERTY OPERATIONS:		
Community base rental income	$ 50,823	$ 49,361
Resort base rental income	12,425	4,077
Utility and other income	6,526	5,331
Property operating revenues	69,774	58,769
Property operating and maintenance	21,014	16,727
Real estate taxes	5,507	4,638
Property management	2,846	2,351
Property operating expenses	29,367	23,716
Income from property operations	40,407	35,053
HOME SALES OPERATIONS:		
Gross revenues from inventory home sales	7,538	4,092
Cost of inventory home sales	(7,016)	(3,461)
Gross profit from inventory home sales	522	631
Brokered resale revenues, net	492	376
Home selling expenses	(2,073)	(1,894)
Ancillary services revenues, net	912	482
Loss from home sales and other	(147)	(405)
OTHER INCOME AND EXPENSES:		
Interest income	453	261
Income from unconsolidated joint ventures and other	1,258	589
General and administrative	(2,212)	(1,932)
Interest and related amortization	(20,393)	(12,393)
Depreciation on corporate assets	(377)	(310)
Depreciation on real estate assets and other costs	(10,682)	(8,904)
Gain on sale of properties and other	638	---
Total other income and expenses	(31,315)	(22,689)
Income before allocation to Minority Interests	8,945	11,959
MINORITY INTERESTS:		
(Income) allocated to Common OP Units	(1,156)	(1,776)
(Income) allocated to Perpetual Preferred OP Units	(2,813)	(2,813)
Income from continuing operations	4,976	7,370
DISCONTINUED OPERATIONS:		
Discontinued operations	---	502
Depreciation on discontinued operations	---	(129)
Minority interests on discontinued operations	---	(71)
Income from discontinued operations	---	302
NET INCOME AVAILABLE FOR COMMON SHARES	$ 4,976	$ 7,672

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

MANUFACTURED HOME COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS (CONTINUED)
FOR THE QUARTERS ENDED MARCH 31, 2004 AND 2003
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	MARCH 31, 2004	MARCH 31, 2003
EARNINGS PER COMMON SHARE - BASIC:		
Income from continuing operations	$ .22	$ .34
Income from discontinued operations	--	.01
Net income available for Common Shares	$ .22	$ .35
EARNINGS PER COMMON SHARE - FULLY DILUTED:		
Income from continuing operations	$ .21	$ .33
Income from discontinued operations	--	.01
Net income available for Common Shares	$ .21	$ .34
Distributions declared per Common Share outstanding	$ .0125	$. 495
Weighted average Common Shares outstanding - basic	22,674	21,918
Weighted average Common Shares outstanding - fully diluted	28,521	27,740

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

MANUFACTURED HOME COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTERS ENDED MARCH 31, 2004 AND 2003
(AMOUNTS IN THOUSANDS)
(UNAUDITED)

	MARCH 31, 2004	MARCH 31, 2003
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 4,976	$ 7,672
Adjustments to reconcile net income to cash provided by operating activities:		
Income allocated to Minority Interests	3,969	4,660
Gain on sale of properties and other	(638)	---
Depreciation and amortization expense	11,584	9,567
Equity in income of unconsolidated joint ventures	(740)	(584)
Amortization of deferred compensation and other	641	1,271
Increase in provision for uncollectible rents receivable	133	157
Changes in assets and liabilities:		
Decrease (increase) in rents receivable	345	(152)
Increase in inventory	(702)	(1,987)
Increase in prepaid expenses and other assets	(2,826)	(595)
Increase in accounts payable and accrued expenses	1,315	575
Increase in rents received in advance and security deposits	3,024	2,512
Net cash provided by operating activities	21,081	23,096
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of rental properties	(100,900)	---
Proceeds from disposition of asset	671	
(Investments in) distributions from joint ventures	(31,316)	341
Funding of notes receivable	(611)	(688)
Improvements:		
Improvements - corporate	(118)	(78)
Improvements - rental properties	(2,674)	(3,017)
Site development costs	(2,571)	(1,491)
Net cash used in investing activities	(137,519)	(4,933)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from stock options and employee stock purchase plan	3,529	1,620
Distributions to Common Stockholders, Common OP Unitholders and Perpetual Preferred OP Unitholders	(227,420)	(15,896)
Collection of principal payments on employee notes		1,279
Line of credit:		
Proceeds	50,000	15,000
Repayments	(15,000)	(13,000)
Principal payments	(1,793)	(1,230)
Debt issuance costs	(1,195)	(461)
Net cash used in financing activities	(191,879)	(12,688)
Net (decrease) increase in cash and cash equivalents	(308,317)	5,475
Cash and cash equivalents, beginning of period	325,740	7,270
Cash and cash equivalents, end of period	$ 17,423	$ 12,745
SUPPLEMENTAL INFORMATION:		
Cash paid during the period for interest	$ 18,294	$ 12,275

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 "2003 Form 10-K") for the year ended December 31, 2003.

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 2003 Form 10-K. The following Notes to Consolidated Financial Statements highlight significant changes to the Notes included in the 2003 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 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

The Company consolidates its majority owned subsidiaries in which it has the ability to control the operations of the subsidiaries and all variable interest entities for which the Company is the primary beneficiary. All inter-company transactions have been eliminated in consolidation. The Company's acquisitions were all accounted for as purchases in accordance with Statement of Financial Accounting Standards No. 141 "Business Combinations".

In January 2003, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 46, Consolidation of Variable Interest Entities ("FIN 46"). The objective of FIN 46 is to provide guidance on how to identify a variable interest entity ("VIE") and determine when the assets, liabilities, non-controlling interests, and results of operations of a VIE need to be included in the company's consolidated financial statements. A company that holds variable interests in an entity will need to consolidate such entity if the company absorbs a majority of the VIE's expected losses or receives a majority of the entity's expected residual returns if they occur, or both. The adoption of FIN 46 had no effect on the Company.

(b) Use of Estimates

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.

(c) 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 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Inventory

Inventory consists of new and used manufactured homes, is stated at the lower of cost or market after consideration of the N.A.D.A. (National Automobile Dealers Association) Manufactured Housing Appraisal Guide and the current market value of each home included in the manufactured home inventory. 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 $256,000 for the quarter ended March 31, 2004.

(e) Real Estate

In accordance with SFAS No. 141, the Company allocates the purchase price of real estate to land, land improvements, building and, if determined to be material, intangibles, such as the value of above, below and at-market leases and origination costs associated with the in-place leases. We depreciate the amount allocated to land improvements, building and other intangible assets over their estimated useful lives, which generally range from three to thirty years. The values of the above and below market leases are amortized and recorded as either an increase (in the case of below market leases) or a decrease (in the case of above market leases) to rental income over the remaining term of the associated lease. The value associated with in-place leases is amortized over the expected term, which includes an estimated probability of lease renewal. 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.

We evaluate our Properties for impairment when conditions exist which may indicate that it is probable that the sum of expected future cash flows (undiscounted) from a Property over the anticipated holding period is less than its carrying value. Upon determination that a permanent impairment has occurred, the applicable Property is reduced to fair value. For the quarters ended March 31, 2004 and 2003, permanent impairment conditions did not exist at any of our Properties.

For properties to be disposed of, an impairment loss is recognized when the fair value of the property, less the estimated cost to sell, is less than the carrying amount of the property measured at the time the Company has a commitment to sell the property and/or is actively marketing the property for sale. A property to be disposed of is reported at the lower of its carrying amount or its estimated fair value, less costs to sell. Subsequent to the date that a property is held for disposition, depreciation expense is not recorded. The Company accounts for its properties held for disposition in accordance with Statement of Financial Accounting Standards No. 144 ("SFAS No. 144"), "Accounting for the Impairment or Disposal of Long-Lived Assets". Accordingly, the results of operations for all assets sold or held for sale after January 1, 2003 have been classified as discontinued operations in all periods presented. The gain on sale of discontinued operations is included in the gain on sale of properties and other.

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. 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 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) 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 loans 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 N.A.D.A. value and the current market value of the underlying manufactured home collateral.

(g) Investments in and Advances to Joint Ventures

Investments in unconsolidated joint ventures are accounted for using the equity method of accounting because we do not have control over the activities of the investees. Our net equity investment is reflected on the consolidated balance sheets, and the consolidated statements of operations include our share of net income or loss from the unconsolidated joint ventures. Any difference between the carrying amount of these investments on our consolidated balance sheet and the historical cost of the underlying equity is depreciated as an adjustment to income from unconsolidated joint ventures generally over 30 years.

NOTE 2 - EARNINGS PER COMMON SHARE

Earnings per common share are based on the weighted average number of common shares outstanding during each year. 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 ended March 31, 2004 and 2003 (amounts in thousands):

	MARCH 31, 2004	MARCH 31, 2003
NUMERATORS:		
INCOME FROM CONTINUING OPERATIONS:		
Income from continuing operations - basic	$ 4,976	$ 7,370
Amounts allocated to dilutive securities	1,156	1,776
Income from continuing operations - fully diluted	$ 6,132	$ 9,146
INCOME FROM DISCONTINUED OPERATIONS:		
Income from discontinued operations - basic	$ ---	$ 302
Amounts allocated to dilutive securities	---	71
Income from discontinued operations - fully diluted	$ ---	$ 373
NET INCOME AVAILABLE FOR COMMON SHARES - FULLY DILUTED:		
Net income available for Common Shares - basic	$ 4,976	$ 7,672
Amounts allocated to dilutive securities	1,156	1,847
Net income available for Common Shares - fully diluted	$ 6,132	$ 9,519
DENOMINATOR:		
Weighted average Common Shares outstanding - basic	22,674	21,918
Effect of dilutive securities:		
Redemption of Common OP Units for Common Shares	5,312	5,358
Employee stock options and restricted shares	535	464
Weighted average Common Shares outstanding - fully diluted	28,521	27,740

NOTE 3 - COMMON STOCK AND RELATED TRANSACTIONS

On January 16, 2004, we paid a one-time special distribution of $8.00 per share payable to stockholders of record on January 8, 2004. We used proceeds from the $501 million borrowing in October, 2003 to pay the special distribution. The special cash dividend will be reflected on stockholders' 2004 1099-DIV to be issued in January, 2005.

In connection with the $501 million borrowing and subsequent special distribution, on February 27, 2004, the Company contributed all of its assets to MHC Trust, a newly formed Maryland real estate investment trust, including its entire partnership interest in MHC Operating Limited Partnership. In exchange for its contribution, the Company was issued all of the outstanding common and preferred stock of MHC Trust. As a result of the restructuring, MHC will continue to qualify as a real estate investment trust under the Code, with its assets consisting of interests in MHC Trust. MHC Trust, in turn, will also qualify as a real estate investment trust under the Code and will be the General Partner of the Operating Partnership.

On April 9, 2004, the Company paid a $.0125 per share distribution for the quarter ended March 31, 2004 to stockholders of record on March 26, 2004. 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 were paid on March 31, 2004.

NOTE 4 - INVESTMENT IN REAL ESTATE

During the quarter ended March 31, 2004, we acquired 43 Properties as listed in the table below. The combined investment in these 43 properties was approximately $345 million and was funded with monies held in short-term investments and additional debt. (amounts in millions, except for total sites)

CLOSING DATE	PROPERTY	LOCATION	TOTAL SITES	PURCHASE PRICE	DEBT	NET EQUITY
ACQUISITIONS:						
January 15, 2004	O'Connell's (a)	Amboy, IL	668	$ 6.6	$ 5.0	$ 1.6
January 30, 2004	Spring Gulch (a)	New Holland, PA	420	6.4	4.8	1.2
February 3, 2004	Paradise (a)	Mesa, AZ	950	25.7	20.0	5.0
February 18, 2004	Twin Lakes (a)	Chocowinity, NC	400	5.2	3.8	1.4
February 19, 2004	Lakeside (a)	New Carlisle, IN	95	1.7	---	1.7
February 5, 2004	Shangri La	Largo, FL	160	(b)	4.5	(b)
February 5, 2004	Terra Ceia	Palmetto, FL	203	(b)	2.6	(b)
February 5, 2004	Southernaire	Mt. Dora, FL	134	(b)	2.1	(b)
February 5, 2004	Sixth Avenue	Zephryhills, FL	140	(b)	2.3	(b)
February 5, 2004	Suni Sands	Yuma, AZ	336	(b)	3.2	(b)
February 5, 2004	Topic's	Spring Hill, FL	230	(b)	2.2	(b)
February 5, 2004	Coachwood Colony	Leesburg, FL	200	(b)	4.3	(b)
February 5, 2004	Waterway	Cedar Point, NC	336	(b)	6.3	(b)
February 5, 2004	Desert Paradise	Yuma, AZ	260	(b)	1.5	(b)
February 5, 2004	Goose Creek	Newport, NC	598	(b)	12.6	(b)
February 17, 2004	NHC Portfolio (c)	Various	11,357	235.0	159.0	69.0

(a) We assumed inventory of approximately $419,000, rents received in advance of approximately $2.4 million and other liabilities of approximately $432,000 in connection with the acquisition of O'Connell's, Spring Gulch, Paradise, Twin Lakes and Lakeside (the "Other 2004 Acquisitions").

(b) The portfolio was acquired for a total purchase price of $64 million and $20.9 million of net equity. The transaction was funded partially through loans obtained on the individual properties as shown in the table. In addition, we assumed approximately $1.1 million of rents received in advance and approximately $421,000 of other liabilities.

(c) The NHC Portfolio consists of 28 vacation resort properties, containing 11,357 sites. Twenty of the properties are located in Florida, six in Texas, and two in California. The acquisition was funded with monies held in short-term investments and $50 million drawn from the Company's line of credit. Beginning in 1996, a series of partnerships were formed between "NHC" entities and "PAMI" (the former General Partner of NHC) entities. A trial on all claims between NHC and PAMI, including whether NHC had the authority to consummate the transaction with the Company was held on April 15 and 16, 2004. The Company continues to believe in the merit of NHC's claims and defenses. Under the terms and conditions of the partnership agreements, on February 17, 2004, $69 million was paid to acquire the PAMI entities' interests. Principals of the NHC entities will continue to operate the properties under a management agreement with the Company and maintain an approximate 7% equity position in the new entity. The existing dispute is related to the PAMI entities' desire to liquidate their investments. The Company, after advice from its legal counsel, believes that there is substantial merit to its' position that the NHC Portfolio transaction is valid. Accordingly, the Company has treated the NHC Portfolio transaction as an acquisition in the financial statements.

NOTE 4 - INVESTMENT IN REAL ESTATE (CONTINUED)

The following table presents the preliminary estimated fair values of the assets acquired and liabilities assumed in connection with the acquisition of NHC on February 17, 2004 and the summarized revenues and expenses of NHC for the period February 17, 2004 through March 31, 2004 (amounts in thousands).

ASSETS	
Land	$ 58,798
Land improvements, Buildings and other depreciable property	176,545
Cash and cash equivalents	3,842
Notes receivable	31
Rents receivable	547
Inventory	718
Prepaid expenses and other assets	4,343
Total assets assumed	244,824
LIABILITIES	
Mortgage notes payable	159,003
Accounts payable and accrued expenses	4,388
Accrued interest payable	614
Rents received in advance	6,051
Total liabilities assumed	170,056
Minority Interest	5,600
Cash paid	$ 69,168
REVENUES AND EXPENSES	
Resort base rental income	$ 5,679
Utility and other income	543
Property operating revenues	6,222
Property operating and maintenance	2,538
Real estate taxes	334
Property management	394
Property operating expenses	3,266
Income from property operations	2,956
Income from home sales and other	534
Interest and related amortization expense	(1,461)
Depreciation on corporate assets	(52)
Depreciation on real estate	(561)
Income before allocation to minority interests	$ 1,416

All acquisitions have been accounted for utilizing the purchase method of accounting, and, accordingly, the results of operations of acquired assets are included in the statements of operations from the dates of acquisition. Certain purchase price adjustments may be recorded within one year following the acquisitions. We acquired all of these Properties from unaffiliated third parties.

NOTE 4 - INVESTMENT IN REAL ESTATE (CONTINUED)

The following table illustrates the effect on net income and earnings per share if the Company had consummated the acquisitions during the quarter ended March 31, 2004 on January 1, 2004 and 2003, respectively (in thousands, except per share amounts):

	For the Quarters Ended March 31, 2004	2003
Pro Forma Information:		
Property operating revenues	$ 78,032	$ 74,043
Income from continuing operations	$ 6,798	$ 9,255
Net income available for common shares	$ 6,798	$ 9,557
Earnings per Common Share - Basic:		
Income from continuing operations	$ .30	$ .42
Net income available for Common Shares	$ .30	$ .44
Earnings per Common Share - Fully Diluted:		
Income from continuing operations	$ .29	$ .41
Net income available for Common Shares	$ .29	$ .43

The Company is actively seeking to acquire additional manufactured home communities and resort communities 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 manufactured home communities and resort communities which are subject to satisfactory completion of the Company's due diligence review.

NOTE 5 - NOTES RECEIVABLE

As of March 31, 2004 and December 31, 2003, the Company had approximately $12.2 million and $11.6 million in notes receivable, respectively. The Company has approximately $11.6 million in Chattel Loans receivable, which yield interest at a per annum average rate of approximately 9.9%, 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 of the Properties. The Company has approximately $450,000 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.

NOTE 6 - INVESTMENT IN AND ADVANCES TO JOINT VENTURES

On February 3, 2004, the Company invested approximately $29.7 million in preferred equity interests (the "Mezzanine Investment") in six entities controlled by Diversified Investments, Inc. ("Diversified"). These entities own in the aggregate 11 properties, containing 5,054 sites. Approximately $11.7 million of the Mezzanine Investment accrues at a per annum average rate of 10%, with a minimum pay rate of 6.5%, payable quarterly, and approximately $17.9 million of the Mezzanine Investment accrues at a per annum average rate of 11%, with a minimum pay rate of 7%, payable quarterly. To the extent the minimum pay rates on the respective Mezzanine Investments are not achieved, the accrual rates increase to 12% and 13%, respectively. The Company can acquire these properties in the future at capitalization rates of between 8% and 8.5%, beginning in 2006. In addition, the Company has invested approximately $1.4 million in the Diversified entities managing these 11 properties, which is included in prepaid expenses and other assets on the Company's Consolidated Balance Sheet as of March 31, 2004.

NOTE 6 - INVESTMENT IN JOINT VENTURES (CONTINUED)

During the quarter ended March 31, 2004, the Company invested approximately $1.4 million with Diversified in four separate property owning entities. The Company can acquire these properties in the future at capitalization rates of between 8% and 8.5%, beginning in 2006. In addition, the Company recorded approximately $584,000 and $353,000 of net income from joint ventures in the quarters ended March 31, 2004 and 2003, respectively, and received approximately $341,000 and $167,000 in distributions for the quarters ended March 31, 2004 and 2003, 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 MAR 31, 2004	INVESTMENT AS OF DEC 31, 2003
				(in thousands)	
Lake Myers	Mocksville, NC	425	25%	$ 378	$ ---
Pine Haven	Ocean View, NJ	625	25%	391	---
Twin Mills	Howe, IN	501	25%	245	---
Plymouth Rock	Elkhart Lake, WI	609	25%	412	---
Trails West	Tucson, AZ	503	50%	1,757	1,752
Plantation	Calimesa, CA	385	50%	2,810	2,825
Manatee	Bradenton, FL	290	90%	35	45
Home	Hallandale, FL	136	90%	1,043	1,082
Villa del Sol	Sarasota, FL	207	90%	655	654
Voyager RV Resort	Tucson, AZ	---	25%	4,566	4,412
Preferred Interests in College Heights		---	17%	8,128	8,058
Mezzanine Investments		5,054		30,168	---
		8,735		$ 50,588	$ 18,828

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

NOTE 7 - LONG-TERM BORROWINGS

As of March 31, 2004 and December 31, 2003, the Company had outstanding mortgage indebtedness of approximately $1,307 million and $1,076 million, respectively, encumbering 156 and 114 of the Company's Properties, respectively. As of March 31, 2004 and December 31, 2003, the carrying value of such Properties was approximately $1,487 million and $1,124 million, respectively.

The outstanding mortgage indebtedness as of March 31, 2004 consists of:

- Approximately $501.4 million of mortgage debt ("Mortgage Debt") consisting of 49 loans collateralized by 51 Properties, beneficially owned by separate legal entities that are subsidiaries of the Company, which we closed on October 17, 2003 (the "Recap"). Of this Mortgage Debt, $177.9 million bears interest at 5.35% per annum and matures November 1, 2008; $71.1 million bears interest at 5.72% per annum and matures November 1, 2010; $79.1 million bears interest at 6.02% per annum and matures November 1, 2013; and $173.3 million bears interest at 6.33% per annum and matures November 1, 2015. The Mortgage Debt amortizes over 30 years.

NOTE 7 - LONG-TERM BORROWINGS (CONTINUED)

- 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 bears interest at 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 presented net of a settled hedge of $3.0 million (net of accumulated amortization of $384,000 which is being amortized into interest expense over the life of the loan.

- A $91.2 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 $48.8 million mortgage note (the "Stagecoach Mortgage") collateralized by 7 Properties beneficially owed 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 $44.3 million mortgage note (the "Bay Indies Mortgage") collateralized by one Property beneficially owned by MHC Bay Indies, L.L.C. The Bay Indies Mortgage bears interest at 5.69% per annum, amortizes over 25 years and matures April 17, 2013.

- A $15.3 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 $158 million of mortgage debt (the "NHC Mortgages"), consisting of 28 loans collateralized by 28 Properties. The NHC Mortgage was recorded at fair market value with the related premium being amortized over the life of the loan using the effective interest rate. The NHC Mortgage bears interest at an average rate of 5.14% per annum, amortizes over 30 years and matures at various dates through November 1, 2027.

- Approximately $41.6 million of mortgage debt (the "Diversified Mortgages"), consisting of 10 loans collateralized by 10 Properties, beneficially owned by separate legal entities that are Subsidiaries of the Company. The Diversified Mortgage bears interest at a rate of 5.81% per annum, amortizes over 30 years and matures March 1, 2014.

- Approximately $143.9 million of mortgage debt on 24 other 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 5.25% 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. Approximately $33 million of this debt was assumed in the acquisition of four Properties during the quarter ended March 31, 2004 (see Note 4).

We have an unsecured Line of Credit with a group of banks (the "Line of Credit") with a total facility of $110 million, bearing interest at the London Interbank Offered Rate ("LIBOR") plus 1.65% that matures on August 9, 2006. We pay a quarterly fee on the average unused amount of the total facility equal to 0.15% of such amount. As of March 31, 2004, $75 million was available under the Line of Credit.

NOTE 8 - STOCK-BASED COMPENSATION

We account for our stock-based compensation in accordance with SFAS No. 123 and its amendment (SFAS No. 148), "Accounting for Stock Based Compensation", which results in compensation expense being recorded based on the fair value of the stock option compensation issued. SFAS No. 148 provided three possible transition methods for changing to the fair value method. Effective January 1, 2003, we elected to use the modified-prospective method, which required 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. Stock-based compensation expense was approximately $683,000 and $536,000 for the quarters ended March 31, 2004 and 2003, respectively.

Pursuant to the Stock Option Plan as discussed in Note 14 to the 2003 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 quarter ended March 31, 2004, Options for 107,623 shares of common stock were exercised.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

DEANZA SANTA CRUZ

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 resolved 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 and has not accrued for the amount in its consolidated financial statements.

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

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 monthly 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.

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 remained, the outcome of which was 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.

In February, 2004, the Company entered into a settlement agreement with Fund 20 resolving all remaining matters at no cost to the Company and with mutual releases.

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.

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

DELAWARE DECLARATORY JUDGMENT ACTION (CONTINUED)

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.

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 (the "Supreme Court"), appealing a portion of the Court's order denying the State's Motion for Summary Judgment. The State's appeal was limited to the single issue of whether the Company has the right to eliminate "rent cap" provisions contained in certain existing leases upon automatic renewal of the leases in accordance with Delaware law. Following oral argument in the matter before a three-justice panel of the Supreme Court, on March 17, 2004, the Supreme Court issued an order affirming the Company's right to eliminate these "rent cap" provisions. The State subsequently filed a motion for rehearing en banc, and on April 21, 2004, the Supreme Court granted the State's motion. The Supreme Court has designated the appeal for decision upon the briefs, and has indicated that the appeal may be considered to be under submission for decision as of May 11, 2004.

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

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 three months ended March 31, 2004 compared to the corresponding period in 2003. It should be read in conjunction with the Consolidated Financial Statements and Notes thereto included herein and the 2003 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, invested in, or sold since January 1, 2003. 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, 2003..........................		51,582
ACQUISITIONS:		
Toby's..	December 3, 2003	379
Araby Acres...	December 15, 2003	337
Foothill	December 15, 2003	180
O'Connell's	January 15, 2004	668
Spring Gulch..	January 30, 2004	420
Paradise..	February 3, 2004	950
Twin Lakes..	February 18, 2004	400
Lakeside..	February 19, 2001	95
Shangri La..	February 5, 2004	160
Terra Ceia..	February 5, 2004	203
Southernaire..	February 5, 2004	134
Sixth Avenue..	February 5, 2004	140
Suni Sands..	February 5, 2004	336
Topic's...	February 5, 2004	230
Coachwood Colony......................................	February 5, 2004	200
Waterway..	February 5, 2004	336
Desert Paradise.......................................	February 5, 2004	260
Goose Creek...	February 5, 2004	598
NHC...	February 17, 2004	11,357

(table continued on next page)

RESULTS OF OPERATIONS (CONTINUED)

(table continued from prior page)

PROPERTY	TRANSACTION DATE	SITES
JOINT VENTURES:		
Lake Myers	December 18, 2003	425
Pine Haven	January 21, 2004	625
Twin Mills	January 27, 2004	501
Plymouth Rock	February 10, 2004	609
MEZZANINE INVESTMENT:		
Fiesta Grande I &II	February 3, 2004	767
Tropical Palms	February 3, 2004	297
Island Vista Estates	February 3, 2004	617
Foothills West	February 3, 2004	188
Capri	February 3, 2004	300
Casita Verde	February 3, 2004	192
Rambler's Rest	February 3, 2004	647
Venture In	February 3, 2004	389
Scenic	February 3, 2004	224
Clerbrook	February 3, 2004	1,255
Inlet Oaks	February 3, 2004	178
EXPANSION SITE DEVELOPMENT AND OTHER:		
Sites added or reconfigured in 2003		(35)
DISPOSITIONS:		
Independence Hill	June 6, 2003	(203)
Brook Gardens	June 6, 2003	(424)
Pheasant Ridge	June 30, 2003	(101)
TOTAL SITES AS OF MARCH 31, 2004		75,416

TRENDS

Occupancy in our Properties as well as our ability to increase rental rates directly affect revenues. In 2004, occupancy in our Core Portfolio decreased 2.3%. Also during 2004, average monthly base rental rates for the Core Portfolio increased approximately 4.7%. We project continued growth during 2004 in our Core Portfolio performance. Core Portfolio base rental-rate growth is expected to be approximately 3%. These projections would result in growth of approximately 2% to 2.5% 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.

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. 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.

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, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133") 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.

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. 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 Financial Accounting Standards Board ("FASB") issued Interpretation No. 46, Consolidation of Variable Interest Entities ("FIN 46"). The objective of FIN 46 is to provide guidance on how to identify a variable interest entity ("VIE") and determine when the assets, liabilities, non-controlling interests, and results of operations of a VIE need to be included in the company's consolidated financial statements. A company that holds variable interests in an entity will need to consolidate such entity if the company absorbs a majority of the VIE's expected losses or receives a majority of the entity's expected residual returns if they occur, or both. The adoption of FIN 46 had no effect on the Company in 2003 and 2004.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

We account for our stock-based compensation in accordance with SFAS No. 123 and its amendment (SFAS No. 148), "Accounting for Stock Based Compensation", which results in compensation expense being recorded based on the fair value of the stock option compensation issued. SFAS No. 148 provided three possible transition methods for changing to the fair value method. Effective January 1, 2003, we elected to use the modified-prospective method, which required 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.

COMPARISON OF THE QUARTER ENDED MARCH 31, 2004 TO THE QUARTER ENDED MARCH 31, 2003

Since December 31, 2002, the gross investment in real estate has increased from $1,296 million to $1,665 million. The total number of sites owned, controlled, or in which the Company holds an investment, has increased from 51,582 as of December 31, 2002 to 75,416 as of March 31, 2004.

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 March 31, 2004 and 2003.

	CORE PORTFOLIO				TOTAL PORTFOLIO			
(dollars in thousands)	2004	2003	INCREASE/ (DECREASE)	% CHANGE	2004	2003	INCREASE/ (DECREASE)	% CHANGE
Community base rental income	$50,521	$49,361	$ 1,160	2.4%	$50,823	$ 49,361	1,462	3.0%
Resort base rental income	96	82	14	17.1%	12,425	4,077	8,348	204.8%
Utility and other income	5,419	4,931	488	9.9%	6,526	5,331	1,195	22.4%
Property operating revenues ..	56,036	54,374	1,662	3.1%	69,774	58,769	11,005	18.7%
Property operating and maintenance	15,335	14,690	645	4.4%	21,014	16,727	4,287	25.6%
Real estate taxes	4,801	4,401	400	9.1%	5,507	4,638	869	18.7%
Property management	2,163	2,176	(13)	(0.6%)	2,846	2,352	494	21.0%
Property operating expenses ..	22,299	21,267	1,032	4.9%	29,367	23,717	5,650	23.8%
Income from property operations ...	$33,737	$33,107	$ 630	1.9%	$40,407	$ 35,052	5,355	15.3%
Site and Occupancy Information (1):								
Average total sites	43,142	43,133	9	.02%	43,546	43,133	413	1.0%
Average occupied sites	38,925	39,802	(877)	(2.3%)	39,318	39,802	(484)	(1.2%)
Occupancy %	90.2%	92.3%	(2.1%)	(2.1%)	90.3%	92.3%	(2.0%)	(2.0%)
Monthly base rent per site	$432,63	$413,39	$ 19.24	4.7%	$430.86	$ 413.39	$ 17.47	4.2%
Total sites As of March 31, ...	43,143	43,133	10	.02%	44,140	43,861	279	.6%
Total occupied sites As of March 31, ...	38,882	39,729	(847)	(2.1%)	39,863	40,399	(536)	(1.3%)

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

RESULTS OF OPERATIONS (CONTINUED)

Property Operating Revenues

The 2.4% increase in Community base rental income for the Core Portfolio reflects a 4.7% increase in monthly base rent per site coupled with a 2.3% decrease in average occupied sites. The increase in utility and other income for the Core Portfolio is due primarily to increases in utility income, which resulted from higher expenses for these items.

Property Operating Expenses

The increase in property operating and maintenance expense for the Core Portfolio is due primarily to increases in property payroll, repair and maintenance, administrative, and insurance and other expenses. Utility expense also increased, but was offset by an increase in utility income. 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 stable.

HOME SALES OPERATIONS:

The following table summarizes certain financial and statistical data for the Home Sales Operations for the quarters ended March 31, 2004 and 2003.

	HOME SALES OPERATIONS			
(dollars in thousands)	2004	2003	INCREASE/ (DECREASE)	% CHANGE
Gross revenues from new home sales	$ 6,798	$ 3,609	$ 3,189	88.4%
Cost of new home sales	(6,293)	(2,976)	(3,317)	(111.5%)
Gross profit from new home sales	505	633	(128)	(20.2%)
Gross revenues from used home sales ..	740	483	257	53.2%
Cost of used home sales	(723)	(485)	(238)	(49.1%)
Gross profit from used home sales	17	(2)	19	950.0%
Brokered resale revenues, net	492	376	116	30.9%
Home selling expenses	(2,073)	(1,894)	(179)	(9.5%)
Ancillary services revenues, net	912	482	430	89.2%
Loss from home sales and other	$ (147)	$ (405)	$ 258	63.7%
HOME SALES VOLUMES:				
New home sales	94	52	42	80.8%
Used home sales	76	32	44	137.5%
Brokered home resales	329	260	69	26.5%

New home sales gross profit reflects an 80.8% increase in sales volume coupled with a 10.1% decrease in the gross margin due to the liquidation of aging inventory in the West region. The average selling price of new homes increased $3,000 or 4.3% compared to 2003. Used home gross profit reflects an increase in sales volume, partially offset by a decrease in gross margin on used home sales. Brokered resale revenues reflects increased sales volume. The 9.5% increase in home selling expenses primarily reflects increased insurance costs. The increase in ancillary service revenues primarily relates to the NHC acquisition.

RESULTS OF OPERATIONS (CONTINUED)

OTHER INCOME AND EXPENSES:

The increase in other income and expenses reflects increased interest income on short-term investments, increased equity in income from joint ventures resulting from the Mezzanine Investment and four 2004 joint venture investments, and the gain on sale of a vacant land parcel at Casa Village. Partially offsetting the increase is an increase in interest expense resulting from the $501 million borrowing in October, 2003 and additional debt assumed in the 2004 acquisitions, an increase in depreciation on real estate assets related to the 2004 acquisitions, and increased general and administrative expense due to increased payroll.

LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

As of March 31, 2004, the Company had $17.4 million in cash and cash equivalents and $75 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.

INVESTMENT IN AND ADVANCES TO JOINT VENTURES

On February 3, 2004, the Company invested approximately $29.7 million in preferred equity interests (the "Mezzanine Investment") in six entities controlled by Diversified Investments, Inc. ("Diversified"). These entities own in the aggregate 11 properties, containing 5,054 sites. Approximately $11.7 million of the Mezzanine Investment accrues at a per annum average rate of 10%, with a minimum pay rate of 6.5%, payable quarterly, and approximately $17.9 million of the Mezzanine Investment accrues at a per annum average rate of 11%, with a minimum pay rate of 7%, payable quarterly. To the extent the minimum pay rates on the respective Mezzanine Investments are not achieved, the accrual rates increase to 12% and 13%, respectively. The Company can acquire these properties in the future at capitalization rates of between 8% and 8.5%, beginning in 2006. In addition, the Company has invested approximately $1.4 million in the Diversified entities managing these 11 properties, which is included in prepaid expenses and other assets on the Company's Consolidated Balance Sheet as of March 31, 2004.

During the quarter ended March 31, 2004, the Company invested approximately $1.4 million with Diversified in four separate property owning entities. The Company can acquire these properties in the future at capitalization rates of between 8% and 8.5%, beginning in 2006. In addition, the Company recorded approximately $584,000 and $353,000 of net income from joint ventures in the quarters ended March 31, 2004 and 2003, respectively, and received approximately $341,000 and $167,000 in distributions for the quarters ended March 31, 2004 and 2003, 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.

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

ACQUISITIONS

During the quarter ended March 31, 2004, we acquired 43 Properties as listed in the table below. The combined investment in these 43 properties was approximately $345 million and was funded with monies held in short-term investments and additional debt. (amounts in millions, except for total sites)

CLOSING DATE	PROPERTY	LOCATION	TOTAL SITES	PURCHASE PRICE	DEBT	NET EQUITY
ACQUISITIONS:						
January 15, 2004	O'Connell's (a)	Amboy, IL	668	$ 6.6	$ 5.0	$ 1.6
January 30, 2004	Spring Gulch (a)	New Holland, PA	420	6.4	4.8	1.6
February 3, 2004	Paradise (a)	Mesa, AZ	950	25.7	20.0	5.7
February 18, 2004	Twin Lakes (a)	Chocowinity, NC	400	5.2	3.8	1.4
February 19, 2004	Lakeside (a)	New Carlisle, IN	95	1.7	---	1.7
February 5, 2004	Shangri La	Largo, FL	160	(b)	4.5	(b)
February 5, 2004	Terra Ceia	Palmetto, FL	203	(b)	2.6	(b)
February 5, 2004	Southernaire	Mt. Dora, FL	134	(b)	2.1	(b)
February 5, 2004	Sixth Avenue	Zephryhills, FL	140	(b)	2.3	(b)
February 5, 2004	Suni Sands	Yuma, AZ	336	(b)	3.2	(b)
February 5, 2004	Topic's	Spring Hill, FL	230	(b)	2.2	(b)
February 5, 2004	Coachwood Colony	Leesburg, FL	200	(b)	4.3	(b)
February 5, 2004	Waterway	Cedar Point, NC	336	(b)	6.3	(b)
February 5, 2004	Desert Paradise	Yuma, AZ	260	(b)	1.5	(b)
February 5, 2004	Goose Creek	Newport, NC	598	(b)	12.6	(b)
February 17, 2004	NHC Portfolio (c)	Various	11,357	235.0	159.0	69.0

(a) We assumed inventory of approximately $419,000, rents received in advance of approximately $2.4 million and other liabilities of approximately $432,000 in connection with the acquisition of O'Connell's, Spring Gulch, Paradise, Twin Lakes and Lakeside (the "Other 2004 Acquisitions").

(b) The portfolio was acquired for a total purchase price of $64 million and $20.9 million of net equity. The transaction was funded partially through loans obtained on the individual properties as shown in the table. In addition, we assumed approximately $1.1 million of rents received in advance and approximately $421,000 of other liabilities.

(c) The NHC Portfolio consists of 28 vacation resort properties, containing 11,357 sites. Twenty of the properties are located in Florida, six in Texas, and two in California. The acquisition was funded with monies held in short-term investments and $50 million drawn from the Company's line of credit. Beginning in 1996, a series of partnerships were formed between "NHC" entities and "PAMI" (the former General Partner of NHC) entities. A trial on all claims between NHC and PAMI, including whether NHC had the authority to consummate the transaction with the Company was held on April 15 and 16, 2004. The Company continues to believe in the merit of NHC's claims and defenses. Under the terms and conditions of the partnership agreements, on February 17, 2004, $69 million was paid to acquire the PAMI entities' interests. Principals of the NHC entities will continue to operate the properties under a management agreement with the Company and maintain an approximate 7% equity position in the new entity. The existing dispute is related to the PAMI entities' desire to liquidate their investments. The Company, after advice from its legal counsel, believes that there is substantial merit to its' position that the NHC Portfolio transaction is valid. Accordingly, the Company has treated the NHC Portfolio transaction as an acquisition in the financial statements.

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

MORTGAGES AND CREDIT FACILITIES

Throughout the quarter the Company borrowed $50 million on its line of credit and paid down $15 million on the line of credit. The line of credit bears interest at a per annum rate of LIBOR plus 1.65%.

In conjunction with the acquisition of the NHC portfolio, we assumed the NHC Mortgages of approximately $156.7 million, which was recorded at fair market value with the related premium being amortized over the life of the loan using the effective interest rate. The NHC Mortgages bear interest at a weighted average interest rate of 5.14% per annum, amortizes over 30 years and matures at various dates through November 1, 2027. We assumed debt of approximately $75.2 million related to the Other 2004 Acquisitions, with interest rate ranging from 5.25% to 5.81% and maturity dates through March 1, 2014.

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.

As of March 31, 2004, we were subject to certain contractual payment obligations as described in the table below (dollars in thousands). We are not subject to capital lease obligations or unconditional purchase obligations as of March 31, 2004.

Contractual Obligations	Total	2005	2006	2007	2008	2009	Thereafter
Long Term Debt (1)........	$1,331,387	$69,381	$66,865	$294,189	$207,141	$69,685	$624,126
Weighted average interest rates...................	6.7%	4.7%	4.4%	6.7%	5.5%	6.8%	6.4%

(1) Balance excludes net premiums and discounts of $10.9 million.

In addition, the Company leases land under non-cancelable operating leases at certain of the Properties expiring in various years from 2022 to 2031 with terms which require twelve equal payments per year plus additional rents calculated as a percentage of gross revenues. For the quarters ended March 31, 2004 and 2003, ground lease rent was approximately $400,000, respectively. Minimum future rental payments under the ground leases are approximately $1.6 million for each of the next five years and approximately $26.3 million thereafter.

CAPITAL IMPROVEMENTS

Capital expenditures for improvements are identified by the Company as recurring capital expenditures ("Recurring CapEx"), site development costs and corporate costs. Recurring CapEx was approximately $2.7 million for the quarter ended March 31, 2004. Site development costs were approximately $2.6 million for the quarter ended March 31, 2004, 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. Corporate costs were approximately $118,000 for the quarter ended March 31, 2004.

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

EQUITY TRANSACTIONS

On January 16, 2004, we paid a one-time special distribution of $8.00 per share payable to stockholders of record on January 8, 2004. We used proceeds from the $501 million borrowing in October, 2003 to pay the special distribution. The special cash dividend will be reflected on stockholders' 2004 1099-DIV to be issued in January, 2005.

On April 9, 2004, the Company paid a $.0125 per share distribution for the quarter ended March 31, 2004 to stockholders of record on March 26, 2004. 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 were paid on March 31, 2004.

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.

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 REITs' 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 is not necessarily indicative of cash available to fund cash needs.

The following table presents a calculation of FFO for the quarters ended March 31, 2004 and 2003 (amounts in thousands):

	2004	2003
COMPUTATION OF FUNDS FROM OPERATIONS:		
Net income available for Common Shares	$ 4,976	$ 7,672
Income allocated to Common OP Units	1,156	1,847
Depreciation on real estate assets and other costs	10,682	8,904
Depreciation expense included in discontinued operations	---	129
Gain on sale of Properties and other	(638)	---
Funds from operations	$ 16,176	$ 18,552
Weighted average Common Shares outstanding - diluted	28,521	27,740

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE OF 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 ($35 million outstanding at March 31, 2004) bears interest at LIBOR plus 1.65%, per annum. If LIBOR increased/decreased by 1.0% during the quarter ended March 31, 2004, interest expense would have increased/decreased by approximately $55,000 based on the average balance outstanding under the Company's Line of Credit during the period.

ITEM 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as of March 31, 2004. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of March 31, 2004. There were no material changes in the Company's internal control over financial reporting during the first quarter 2004.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

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 19 U.S.C. Section 1350

32.2 Certification of Chief Executive Officer Pursuant to 19 U.S.C. Section 1350

(b) Reports on Form 8-K:

Form 8-K dated and filed January 27, 2004, relating to Item 7 - "Financial Statements and Exhibits" and Item 9 - "Regulation FD Disclosure" regarding release of Earnings Results for the year ended December 31, 2004.

Form 8-K dated and filed January 27, 2004, relating to Item 5 - "Other Events and Regulation FD Disclosure" announcing the appointment of Joe McAdams to the Board of Directors.

Form 8-K dated and filed January 27, 2004, relating to Item 5 - "Other Events and Regulation FD Disclosure" announcing an agreement with Monte Vista, LLC.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K (CONTINUED)

(b) Reports on Form 8-K (continued):

Form 8-K dated and filed February 18, 2004, relating to Item 5 - "Other Events and Regulation FD Disclosure" announcing the tender of payment on the NHC portfolio.

Form 8-K dated and filed February 18, 2004, relating to Item 5 - "Other Events and Regulation FD Disclosure" announcing investments pursuant to the acquisition program.

Form 8-K dated and filed March 2, 2004, relating to Item 2 - "Acquisition of Assets" and Item 7 - "Financial Statements and Exhibits" regarding the acquisition and investment in 30 Properties.

Form 8-K dated and filed March 3, 2004, relating to Item 2 - "Acquisition of Assets" and Item 7 - "Financial Statements and Exhibits" regarding the acquisition of the NHC portfolio.

Form 8-K dated and filed March 3, 2004, relating to Item 5 - "Other Events and Regulation FD Disclosure" announcing declaration of First Quarter 2004 dividend and appointment of Thomas P. Heneghan to the Board of Directors.

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/ Thomas P. Heneghan

Thomas P. Heneghan
President and Chief Executive Officer
(Principal Executive Officer)

BY: /s/ Michael B. Berman

Michael B. Berman
Vice President, Treasurer and
Chief Financial Officer
(Principal Financial Officer
and Principal Accounting Officer)

DATE: May 10, 2004

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 quarterly report is being prepared;

   b) [Paragraph reserved pursuant to SEC Release No. 34-47986];

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

   d) Disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent quarter that has materially affected, or is reasonably 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 the 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: May 10, 2004

By: 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, Thomas P. Heneghan, 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 quarterly report is being prepared;

   b) [Paragraph reserved pursuant to SEC Release No. 34-47986];

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

   d) Disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent quarter that has materially affected, or is reasonably 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 the 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: May 10, 2004

By: Thomas P. Heneghan

Thomas P. Heneghan
President and 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 March 31, 2004 (the "Form 10-Q"), I, Michael B. Berman, Vice President, Treasurer and Chief Financial Officer of Manufactured Home Communities, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Form 10-Q 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 the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Manufactured Home Communities, Inc.

Date: May 10, 2004

By: Michael B. Berman

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

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 HAS BEEN PROVIDED TO MANUFACTURED HOME COMMUNITIES, INC. AND WILL BE RETAINED BY MANUFACTURED HOME COMMUNITIES, INC. AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.

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 March 31, 2004 (the "Form 10-Q"), I, Thomas P. Heneghan, President and Chief Executive Officer of Manufactured Home Communities, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Form 10-Q 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 the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Manufactured Home Communities, Inc.

Date: May 10, 2004

By: Thomas P. Heneghan

Thomas P. Heneghan
President and Chief Executive Officer

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 HAS BEEN PROVIDED TO MANUFACTURED HOME COMMUNITIES, INC. AND WILL BE RETAINED BY MANUFACTURED HOME COMMUNITIES, INC. AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.