

EQUITY LIFESTYLE PROPERTIES INC
Form 10-Q
October 27, 2016

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

FORM 10-Q

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

For the quarterly period ended September 30, 2016

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

For the transition period from _____ to _____

Commission file number: 1-11718

EQUITY LIFESTYLE PROPERTIES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Maryland 36-3857664
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) 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 No

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

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

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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

85,304,824 shares of Common Stock as of October 25, 2016.

Equity LifeStyle Properties, Inc.
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Equity LifeStyle Properties, Inc.

Consolidated Balance Sheets

As of September 30, 2016 and December 31, 2015

(amounts in thousands, except share and per share data)

	September 30, 2016 (unaudited)	December 31, 2015
Assets		
Investment in real estate:		
Land	\$ 1,155,587	\$ 1,101,676
Land improvements	2,863,758	2,787,882
Buildings and other depreciable property	622,045	588,041
	4,641,390	4,477,599
Accumulated depreciation	(1,368,942)	(1,282,423)
Net investment in real estate	3,272,448	3,195,176
Cash	68,812	80,258
Notes receivable, net	34,277	35,463
Investment in unconsolidated joint ventures	19,198	17,741
Deferred commission expense	31,435	30,865
Escrow deposits, goodwill, and other assets, net	44,213	40,897
Total Assets	\$ 3,470,383	\$ 3,400,400
Liabilities and Equity		
Liabilities:		
Mortgage notes payable, net	\$ 1,892,692	\$ 1,926,880
Term loan	199,327	199,172
Unsecured lines of credit	—	—
Accrued expenses and accounts payable	94,103	76,044
Deferred revenue – upfront payments from right-to-use contracts	80,832	78,405
Deferred revenue – right-to-use annual payments	10,578	9,878
Accrued interest payable	8,128	8,715
Rents and other customer payments received in advance and security deposits	70,794	74,300
Distributions payable	39,315	34,315
Total Liabilities	2,395,769	2,407,709
Equity:		
Stockholders' Equity:		
Preferred stock, \$0.01 par value, 9,945,539 shares authorized as of September 30, 2016 and December 31, 2015; none issued and outstanding.	—	—
6.75% Series C Cumulative Redeemable Perpetual Preferred Stock, \$0.01 par value, 54,461 shares authorized and 54,458 issued and outstanding as of September 30, 2016 and December 31, 2015 at liquidation value	136,144	136,144
Common stock, \$0.01 par value, 200,000,000 shares authorized as of September 30, 2016 and December 31, 2015; 85,303,937 and 84,253,065 shares issued and outstanding as of September 30, 2016 and December 31, 2015, respectively	852	843
Paid-in capital	1,096,916	1,039,140
Distributions in excess of accumulated earnings	(231,879)	(250,506)
Accumulated other comprehensive loss	(646)	(553)
Total Stockholders' Equity	1,001,387	925,068
Non-controlling interests – Common OP Units	73,227	67,623
Total Equity	1,074,614	992,691

Total Liabilities and Equity	\$ 3,470,383	\$ 3,400,400
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The accompanying notes are an integral part of the financial statements.

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Equity LifeStyle Properties, Inc.
 Consolidated Statements of Income and Comprehensive Income
 For the Quarters Ended and Nine Months Ended September 30, 2016 and 2015
 (amounts in thousands, except per share data)
 (unaudited)

	Quarters Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2016	2015	2016	2015
Revenues:				
Community base rental income	\$117,164	\$ 110,908	\$346,625	\$ 330,251
Rental home income	3,484	3,413	10,572	10,526
Resort base rental income	54,486	49,765	154,652	142,837
Right-to-use annual payments	11,349	11,334	33,590	33,260
Right-to-use contracts current period, gross	3,672	3,889	9,290	10,264
Right-to-use contract upfront payments, deferred, net	(1,327)	(1,701)	(2,427)	(3,929)
Utility and other income	21,174	20,027	61,490	58,010
Gross revenues from home sales	10,895	7,878	28,239	24,341
Brokered resale revenues and ancillary services revenues, net	920	1,051	2,736	4,045
Interest income	1,767	1,758	5,052	5,314
Income from other investments, net	2,581	1,822	6,574	5,119
Total revenues	226,165	210,144	656,393	620,038
Expenses:				
Property operating and maintenance	73,410	69,227	203,011	194,522
Rental home operating and maintenance	1,768	1,874		