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, 2002

OR

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

For the transition period from to

Commission File No. 1-11986

TANGER FACTORY OUTLET CENTERS, INC.
(Exact name of Registrant as specified in its Charter)

NORTH CAROLINA	56-1815473
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3200 Northline Avenue, Suite 360, Greensboro, North Carolina 27408
(Address of principal executive offices)
(Zip code)

(336) 292-3010
(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

8,001,605 shares of Common Stock,
$.01 par value, outstanding as of May 1, 2002

TANGER FACTORY OUTLET CENTERS, INC.

Index

Part I. Financial Information

Part II. Other Information

Signatures 19

<TABLE>
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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended March 31, 2002	2001
	(Unaudited)	
REVENUES		
<S>	<C>	<C>
Base rentals	$18,589	$18,278
Percentage rentals	597	351
Expense reimbursements	7,449	7,571
Other income	573	520
Total revenues	27,208	26,720
EXPENSES		
Property operating	8,804	8,697
General and administrative	2,275	2,069
Interest	7,129	7,633
Depreciation and amortization	7,173	7,211
Total expenses	25,381	25,610
Income before minority interest and extraordinary item	1,827	1,110
Minority interest	(382)	(185)
Income before extraordinary item	1,445	925
Extraordinary item - Loss on early extinguishment of debt, net of minority interest of $50	---	(130)
Net income	1,445	795
Less applicable preferred share dividends	(444)	(442)
Net income available to common shareholders	$1,001	$353
Basic earnings per common share:		
Income before extraordinary item	$.13	$.06
Extraordinary item	---	(.02)
Net income	$.13	$.04
Diluted earnings per common share:		
Income before extraordinary item	$.12	$.06
Extraordinary item	---	(.02)
Net income	$.12	$.04
Dividends paid per common share	$.61	$.61

The accompanying notes are an integral part of these consolidated financial statements.
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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	March 31, 2002	December 31, 2001
	(Unaudited)	

ASSETS		
Rental Property		
Land	$60,196	$60,158
Buildings, improvements and fixtures	541,010	539,108
	601,206	599,266
Accumulated depreciation	(155,614)	(148,950)
Rental property, net	445,592	450,316
Cash and cash equivalents	210	515
Deferred charges, net	11,084	11,413
Other assets	12,183	14,028
Total assets	$469,069	$476,272
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Debt		
Senior, unsecured notes	$155,609	$160,509
Mortgages payable	176,176	176,736
Lines of credit	27,786	20,950
	359,571	358,195
Construction trade payables	3,934	3,722
Accounts payable and accrued expenses	11,278	16,478
Total liabilities	374,783	378,395
Commitments		
Minority interest	20,386	21,506
Shareholders' equity		
Preferred shares, $.01 par value, 1,000,000 shares authorized, 80,590 and 80,600 shares issued and outstanding at March 31, 2002 and December 31, 2001	1	1
Common shares, $.01 par value, 50,000,000 shares authorized, 7,998,001 and 7,929,711 shares issued and outstanding at March 31, 2002 and December 31, 2001	80	79
Paid in capital	137,684	136,529
Distributions in excess of net income	(63,370)	(59,534)
Accumulated other comprehensive loss	(495)	(704)
Total shareholders' equity	73,900	76,371
Total liabilities and shareholders' equity	$469,069	$476,272

The accompanying notes are an integral part of these consolidated financial statements.
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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended March 31, 2002	2001
	(Unaudited)	
OPERATING ACTIVITIES		
Net income	$1,445	$795
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,173	7,211
Amortization of deferred financing costs	343	633
Minority interest	382	(28)
Loss on early extinguishment of debt	---	180
Straight-line base rent adjustment	41	104
Increase (decrease) due to changes in:		
Other assets	1,641	1,576
Accounts payable and accrued expenses	(4,909)	(1,889)
Net cash provided by operating activites	6,116	8,582
INVESTING ACTIVITIES		
Additions to rental properties	(1,725)	(7,071)

Additions to investments in joint ventures	(15)	---
Additions to deferred lease costs	(437)	(700)
Proceeds from sale of real estate	---	723
Collections from officers	92	318
Net cash used in investing activities	(2,085)	(6,730)
FINANCING ACTIVITIES		
Cash dividends paid	(5,281)	(5,252)
Distributions to minority interest	(1,850)	(1,843)
Proceeds from issuance of debt	34,062	169,804
Repayments of debt	(32,686)	(161,362)
Additions to deferred financing costs	(3)	(3,619)
Proceeds from exercise of unit options	1,422	---
Net cash used in financing activities	(4,336)	(2,272)
Net decrease in cash and cash equivalents	(305)	(420)
Cash and cash equivalents, beginning of period	515	634
Cash and cash equivalents, end of period	$210	$214

Supplemental schedule of non-cash investing activities:

We purchase capital equipment and incur costs relating to construction of new facilities, including tenant finishing allowances. Expenditures included in construction trade payables as of March 31, 2002 and 2001 amounted to $3,934 and $6,853, respectively.
</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2002
(Unaudited)

1. Business

Tanger Factory Outlet Centers, Inc., a fully-integrated, self-administered, self-managed real estate investment trust ("REIT"), develops, owns and operates factory outlet centers. The factory outlet centers and other assets of the Company's business are held by, and all of its operations are conducted by, Tanger Properties Limited Partnership. Unless the context indicates otherwise, the term the "Company" refers to Tanger Factory Outlet Centers, Inc. and the term "Operating Partnership" refers to Tanger Properties Limited Partnership. The terms "we", "our" and "us" refer to the Company or the Company and the Operating Partnership together, as the context requires.

2. Basis of Presentation

Our unaudited Consolidated Financial Statements have been prepared pursuant to accounting principles generally accepted in the United States of America and should be read in conjunction with the Consolidated Financial Statements and Notes thereto of our Annual Report on Form 10-K for the year ended December 31, 2001. Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to the Securities and Exchange Commission's ("SEC") rules and regulations, although management believes that the disclosures are adequate to make the information presented not misleading.

Investments in real estate joint ventures that represent non-controlling ownership interests are accounted for using the equity method of accounting. These investments are recorded initially at cost and subsequently adjusted for our net equity in the venture's income (loss) and cash contributions and distributions. Our investments are included in other assets in our Consolidated Balance Sheets and our equity in the venture's income (loss) is included in other income in our Consolidated Statements of Operations.

The accompanying unaudited Consolidated Financial Statements reflect, in the opinion of management, all adjustments necessary for a fair presentation of the interim Consolidated Financial Statements. All such adjustments are of a normal and recurring nature.

3. Development of Rental Properties

During the first quarter of 2002, we did not open any square feet of expansion space. However, currently through our joint venture, TWMB Associates, LLC ("TWMB") with Rosen-Warren Myrtle Beach LLC ("Rosen-Warren"), we continued construction on the first phase of our new 400,000 square foot Tanger Outlet

Center in Myrtle Beach, South Carolina. Stores in the 260,000 square foot first phase are expected to begin opening in July of 2002.

Interest costs capitalized during the three months ended March 31, 2002 and 2001 amounted to $79,000 and $371,000, respectively. The interest capitalized in 2002 relates to the on going construction of TWMB's Myrtle Beach, SC center.

4. Investments in Real Estate Joint Ventures

Effective August 7, 2000, we announced the formation of a joint venture with C. Randy Warren Jr., former Senior Vice President of Leasing of the Company. The new entity, Tanger-Warren Development, LLC ("Tanger-Warren"), was formed to identify, acquire and develop sites exclusively for us. We agreed to be co-managers of Tanger-Warren, each with 50% ownership interest in the joint venture and any entities formed with respect to a specific project. As of March 31, 2002, our investment in Tanger-Warren amounted to approximately $9,000 and the impact of this joint venture on our results of operations has been insignificant.

In September 2001, we established a joint venture, TWMB, with respect to our Myrtle Beach, South Carolina project with Rosen-Warren. Rosen-Warren and we each own 50% of TWMB. Also, in September 2001 TWMB began construction on the first phase of a new 400,000 square foot Tanger Outlet Center in Myrtle Beach, SC. The first phase totals approximately 260,000 square feet and includes over 50 brand name outlet tenants. In conjunction with the beginning of construction, TWMB closed on a construction loan in the amount of $36.2 million with Bank of America, NA (Agent) and SouthTrust Bank, the proceeds of which will be used to develop the Tanger Outlet Center in Myrtle Beach, SC. As of March 31, 2002, the construction loan had an $8.3 million balance. All debt incurred by this unconsolidated joint venture is secured by its property as well as joint and several guarantees by us and by our respective venture partner.

We receive fees from TWMB for our respective development, leasing and other services and, upon the opening of phase one of the Myrtle Beach property, will receive on-going asset management fees. Since this project was under construction during the quarter, the impact of this joint venture to our consolidated results of operations was insignificant.

At March 31, 2002, our investment in unconsolidated real estate joint ventures, of which we own 50%, was $4.2 million. These investments are recorded initially at cost and subsequently adjusted for our net equity in the venture's income (loss) and cash contributions and distributions. Our investments are included in other assets and equity in the venture's income (loss) is included in other income. Our investment in real estate joint ventures is reduced by 50% of the profits earned for services we provided to the joint ventures.

Summary unaudited financial information of joint ventures accounted for using the equity method as of March 31, 2002 and December 31, 2001 is as follows (in thousands):

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	2002	2001
Assets:		
<S>	<C>	<C>
Investment properties at cost, net	$18,445	$7,348
Cash and cash equivalents	57	136
Other assets	2,260	2,199
Total assets	$20,762	$9,683
Liabilities and Owners' Equity		
Debt	$ 8,345	$ 10
Accounts payable and other liabilities	3,713	1,030
Total liabilities	12,058	1,040
Owners' equity	8,704	8,643
Total liabilities and owners' equity	$20,762	$9,683

</TABLE>

5. Other Comprehensive Income - Derivative Financial Instruments

Effective January 1, 2001, we adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended by FAS 137 and FAS 138 (collectively, "FAS 133"). In accordance with the provisions of FAS 133, our interest rate swap agreement has been designated as a cash flow hedge and is carried on the balance sheet at fair value. At March 31, 2002, the fair value of the hedge is recorded as a liability of $682,000. For the three months ended March 31, 2002, the change in the fair value of the derivative instrument was recorded as a $209,000 gain, net of minority interest of $82,000, to accumulated other comprehensive income.

Total comprehensive income for the three months ended March 31, 2002 and 2001 is as follows (in thousands):

	2002	2001
Net income	$ 1,445	$ 795
Other comprehensive income:		
Cumulative effect adjustment of FAS 133 adoption, net of minority interest of $83	---	(217)
Reclassification to earnings on termination of cash flow hedge, net of minority interest of $41	---	106
Change in fair value of cash flow hedge, net of minority interest of $82 and $121	209	(314)
Other comprehensive income (loss)	209	(425)
Total comprehensive income	$ 1,654	$ 370

6. Earnings Per Share

The following table sets forth a reconciliation of the numerators and denominators in computing earnings per share in accordance with Statement of Financial Accounting Standards No. 128, Earnings Per Share (in thousands, except per share amounts):

	2002	2001
NUMERATOR:		
Income before extraordinary item	$ 1,445	$ 925
Less applicable preferred share dividends	(444)	(442)
Income available to common shareholders- numerator for basic and diluted earnings per share	1,001	483
DENOMINATOR:		
Basic weighted average common shares	7,948	7,919
Effect of outstanding share and unit options	80	35
Diluted weighted average common shares	8,028	7,954
Basic earnings per share before extraordinary item	$ .13	$ 0.06
Diluted earnings per share before extraordinary item	$ .12	$ 0.06

The computation of diluted earnings per share excludes options to purchase common shares when the exercise price is greater than the average market price of the common shares for the period. Options excluded for the three months ended March 31, 2002 and 2001 totaled 519,667 and 1,246,870, respectively. The assumed conversion of preferred shares to common shares as of the beginning of the year would have been anti-dilutive. The assumed conversion of the partnership units held by the minority interest limited partner as of the beginning of the year, which would result in the elimination of earnings allocated to the minority interest, would have no impact on earnings per share since the allocation of earnings to a partnership unit is equivalent to earnings allocated to a common share.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with the unaudited, Consolidated Financial Statements appearing elsewhere in this report. Historical results and percentage relationships set forth in the unaudited, Consolidated Statements of Operations, including trends which might appear, are not necessarily indicative of future operations.

The discussion of our results of operations reported in the unaudited consolidated statements of operations compares the three months ended March 31, 2002 with the three months ended March 31, 2001. Certain comparisons between the periods are made on a percentage basis as well as on a weighted average gross leasable area ("GLA") basis, a technique which adjusts for certain increases or decreases in the number of centers and corresponding square feet related to the development, acquisition, expansion or disposition of rental properties. The computation of weighted average GLA, however, does not adjust for fluctuations in occupancy which may occur subsequent to the original opening date.

Cautionary Statements

Certain statements made below are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend for such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Reform Act of 1995 and included this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words "believe", "expect", "intend", "anticipate", "estimate", "project", or similar expressions. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could materially affect our actual results, performance or achievements. Factors which may cause actual results to differ materially from current expectations include, but are not limited to, the following:

- general economic and local real estate conditions could change (for example, our tenant's business may change if the economy changes, which might effect (1) the amount of rent they pay us or their ability to pay rent to us, (2) their demand for new space, or (3) our ability to renew or re-lease a significant amount of available space on favorable terms);

- the laws and regulations that apply to us could change (for instance, a change in the tax laws that apply to REITs could result in unfavorable tax treatment for us);

- availability and cost of capital (for instance, financing opportunities may not be available to us, or may not be available to us on favorable terms);

- the level and volatility of interest rates may fluctuate in an unfavorable manner;

- our operating costs may increase or our costs to construct or acquire new properties or expand our existing properties may increase or exceed our original expectations.

General Overview

At March 31, 2002, we owned 29 centers in 20 states totaling 5.33 million square feet compared to 29 centers in 20 states totaling 5.28 million square feet at March 31, 2001. The increase is primarily due to the completion of the expansion at our San Marcos, TX center during 2001. The center now contains over 441,000 square feet of gross leasable space.

In September 2001, we established a 50% ownership joint venture, TWMB Associates, LLC ("TWMB"), with respect to our Myrtle Beach, South Carolina project with Rosen-Warren Myrtle Beach LLC ("Rosen-Warren") and began construction on the first phase of a new 400,000 square foot Tanger Outlet Center in Myrtle Beach, SC. The first phase will consist of approximately 260,000 square feet and include over 50 brand name outlet tenants. Stores are tentatively expected to begin opening in July of 2002.

A summary of the operating results for the three months ended March 31, 2002 and 2001 is presented in the following table, expressed in amounts calculated on a weighted average GLA basis.
<TABLE>
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	2002	2001

<S> <C>	<C>	<C>
GLA open at end of period (000's)	5,332	5,282
Weighted average GLA (000's) (1)	5,332	5,255
Outlet centers in operation	29	29
Centers expanded	---	1
States operated in at end of period	20	20
Occupancy percentage at end of period	95	95
Per square foot		
Revenues		
Base rentals	$3.49	$3.48
Percentage rentals	.11	.07
Expense reimbursements	1.40	1.44
Other income	.11	.10
Total revenues	5.11	5.09
Expenses		
Property operating	1.65	1.66
General and administrative	.43	.39
Interest	1.34	1.45
Depreciation and amortization	1.35	1.37
Total expenses	4.77	4.87
Income before minority interest and extraordinary item	$ .34	$ .22

(1) GLA weighted by months of operations. GLA is not adjusted for fluctuations in occupancy that may occur subsequent to the original opening date.
</TABLE>

The table set forth below summarizes certain information with respect to our existing centers as of March 31, 2002.
<TABLE>
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Date Opened	Location	GLA (sq. ft.)	% Occupied
<S> <C>	<C>	<C>	<C>
Jun. 1986	Kittery I, ME	59,694	100
Mar. 1987	Clover, North Conway, NH	11,000	100
Nov. 1987	Martinsburg, WV	49,252	73
Apr. 1988	LL Bean, North Conway, NH	50,745	100
Jul. 1988	Pigeon Forge, TN	94,558	100
Aug. 1988	Boaz, AL	80,730	93
Jun. 1988	Kittery II, ME	24,703	94
Jul. 1989	Commerce, GA	185,750	84
Oct. 1989	Bourne, MA	23,417	100
Feb. 1991	West Branch, MI	112,420	100
May 1991	Williamsburg, IA	277,230	97
Feb. 1992	Casa Grande, AZ	184,768	89
Dec. 1992	North Branch, MN	134,480	100
Feb. 1993	Gonzales, LA	245,199	97
May 1993	San Marcos, TX	441,432	97
Aug. 1994	Riverhead, NY	729,238	98
Aug. 1994	Terrell, TX	177,490	96
Sep. 1994	Seymour, IN	141,051	73
Oct. 1994 (1)	Lancaster, PA	255,059	94
Nov. 1994	Branson, MO	277,494	94
Nov. 1994	Locust Grove, GA	248,854	100
Jan. 1995	Barstow, CA	105,950	59
Dec. 1995	Commerce II, GA	342,556	95
Feb. 1997 (1)	Sevierville, TN	353,977	100
Sept. 1997 (1)	Blowing Rock, NC	105,448	100
Sep. 1997 (1)	Nags Head, NC	82,254	100
Mar. 1998 (1)	Dalton, GA	173,430	90
Jul. 1998 (1)	Fort Meyers, FL	198,789	96
Nov. 1999 (1)	Fort Lauderdale, FL	165,000	100
Total		5,331,968	95

(1) Represents date acquired by us.
</TABLE>

RESULTS OF OPERATIONS

Comparison of the three months ended March 31, 2002 to the three months ended March 31, 2001

Base rentals increased $311,000, or 2%, in the 2002 period when compared to the same period in 2001. The increase is primarily due to the effect of the completed expansion at our San Marcos, TX center during 2001 as mentioned above in the General Overview. Base rent per weighted average GLA increased by $.01 per square foot from $3.48 per square foot in the first three months of 2001 compared to $3.49 per square foot in the first three months of 2002. The slight increase is the result of the addition of the San Marcos expansion to the portfolio which had a higher average base rent per square foot compared to the portfolio average. While the overall portfolio occupancy at March 31, 2002 remained constant with the prior year quarter at 95%, a number of centers experienced negative occupancy trends which were offset by positive occupancy gains in other centers.

Percentage rentals, which represent revenues based on a percentage of tenants' sales volume above predetermined levels (the "breakpoint"), increased $246,000, and on a weighted average GLA basis, increased $.04 per square foot in 2002 compared to 2001. For the three months ended March 31, 2002, same-space sales increased 10% compared to the same period in 2001. Same-space sales are defined as the weighted average sales per square foot reported in space open for the full duration of each comparison period. Reported same-space sales per square foot for the rolling twelve months ended March 31, 2002 were $300 per square foot, representing a 6% increase compared to the same period in 2001. The increases are attributable to our continued ability to attract high volume tenants to our centers which improves the average sales per square foot throughout our portfolio. Reported same-store sales for the quarter ended March 31, 2002, defined as the weighted average sales per square foot reported by tenants for stores open since January 1, 2001, increased 5% compared to the same period in the prior year.

Expense reimbursements, which represent the contractual recovery from tenants of certain common area maintenance, insurance, property tax, promotional, advertising and management expenses generally fluctuates consistently with the reimbursable property operating expenses to which it relates. Expense reimbursements, expressed as a percentage of property operating expenses, decreased to 85% in 2002 from 87% in 2001 primarily as a result of higher real estate taxes due to revaluations, increases in property insurance premiums and increases in other non-reimbursable expenses.

Other income increased $53,000 in 2002 compared to 2001 primarily due to increases in vending income and the recognition of development and lease fee revenue from our TWMB joint venture offset by decreases in interest income from 2001 which related to cash proceeds from the February 2001 bond offering.

Property operating expenses increased by $107,000, or 1%, in the 2002 period as compared to the 2001 period and, on a weighted average GLA basis, decreased $.01 per square foot from $1.66 to $1.65. The decrease is the result of a company-wide effort to improve operating efficiencies and reduce costs in common area maintenance and marketing partially offset by increases in real estate taxes, property insurance and other non-reimbursable expenses.

General and administrative expenses increased $206,000, or 10%, in the 2002 period as compared to the 2001 period. Also, as a percentage of total revenues, general and administrative expenses were 8% in the 2002 and 2001 periods and, on a weighted average GLA basis, increased $.04 per square foot from $.39 in 2001 to $.43 in 2002 due in part to an increase in professional fees and reserves for bad debts related to bankruptcy filings.

Interest expense decreased $504,000 during 2002 as compared to 2001 due primarily due to lower average interest rates during 2002. Beginning in the fourth quarter of 2001 and continuing through the first quarter of 2002, we purchased at par or below, approximately $19.4 million of our outstanding 7.875% senior, unsecured public notes that mature in October 2004. The purchases were funded by amounts available under our unsecured lines of credit which do not mature until June 2003. The replacement of the 2004 bonds with funding through lines of credit provides us with a significant interest expense reduction as the lines of credit have a lower interest rate. Also, the 2001 results included $295,200 paid to terminate certain interest rate swap agreements during that period. Depreciation and amortization per weighted average GLA decreased from $1.37 per square foot in the 2001 period to $1.35 per square foot in the 2002 period.

The 2001 extraordinary loss relates to debt that was extinguished with a portion of the February 2001 bond offering proceeds prior to its scheduled maturity.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was $6.1 million and $8.6 million for the three months ended March 31, 2002 and 2001, respectively. The decrease in cash provided by operating activities is due primarily to a decrease in accounts payable in 2002 when compared to 2001. Net cash used in investing activities was $2.1 and $6.7 million during 2002 and 2001, respectively. Cash used was higher in 2001 primarily due to the increase in cash paid for expansion activities at our San Marcos, TX center. Net cash used in financing activities amounted to $4.3 million and $2.3 million during the first three months of 2002 and 2001, respectively.

Joint Ventures

Effective August 7, 2000, we announced the formation of a joint venture with C. Randy Warren Jr., former Senior Vice President of Leasing of the Company. The new entity, Tanger-Warren Development, LLC ("Tanger-Warren"), was formed to identify, acquire and develop sites exclusively for us. We agreed to be co-managers of Tanger-Warren, each with 50% ownership interest in the joint venture and any entities formed with respect to a specific project. As of March 31, 2002, our investment in Tanger-Warren amounted to approximately $9,000 and the impact of this joint venture on our results of operations has been insignificant.

In September 2001, we established a joint venture, TWMB, with respect to our Myrtle Beach, South Carolina project with Rosen-Warren. We and Rosen-Warren, each as 50% owners, contributed $4.3 million in cash for a total initial equity in TWMB of $8.6 million. In September 2001, TWMB began construction on the first phase of a new 400,000 square foot Tanger Outlet Center in Myrtle Beach, SC. The first phase is projected to cost $34.6 million and will consist of approximately 260,000 square feet and include over 50 brand name outlet tenants. Currently, leases for approximately 238,000 square feet, or 91% of the first phase are fully executed. Stores are tentatively expected to begin opening in July of 2002. We currently anticipate construction of a 140,000 square foot second, and final phase to cost $13.7 million. Prior to beginning construction on the second phase, Rosen-Warren and we each will be required to contribute an additional $1.75 million in cash for a total equity contribution in phase two of TWMB of $3.5 million. Upon the opening of phase one of the Myrtle Beach property, we will receive on-going asset management fees.

In conjunction with the beginning of construction, TWMB closed on a construction loan in the amount of $36.2 million with Bank of America, NA (Agent) and SouthTrust Bank, the proceeds of which will be used to develop the Tanger Outlet Center in Myrtle Beach, SC. As of March 31, 2002, the construction loan had an $8.3 million balance. All debt incurred by this unconsolidated joint venture is secured by its property as well as joint and several guarantees by Rosen-Warren and us. We do not expect events to occur that would trigger the provisions of the guarantee because our properties have historically produced sufficient cash flow to meet the related debt service requirements.

Either owner in TWMB has the right to initiate the sale or purchase of the other party's interest no sooner than October 25, 2002. If such action is initiated, one owner would determine the fair market value purchase price of the joint venture and the other would determine whether they would take the role of seller or purchaser. The owner who is to designate the fair market value purchase price would be determined by the toss of a coin. If either Rosen-Warren or we enacted this provision and depending on our role in the transaction as either seller or purchaser, we could potentially incur a cash outflow for the purchase of Rosen-Warren's interest. However, we do not expect this event to occur in the near future based on the positive expectations of developing and operating an outlet center in the Myrtle Beach area.

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Other Developments

We have an option to purchase the retail portion of a site at the Bourne Bridge Rotary in Cape Cod, Massachusetts. Obtaining appropriate approvals for the Bourne project from the local authorities continues to be a challenge and consequently, we are reviewing the viability of maintaining an option on the property.

Any developments or expansions that we, or a joint venture that we are involved in, have planned or anticipated may not be started or completed as scheduled, or may not result in accretive funds from operations. In addition, we regularly evaluate acquisition or disposition proposals and engage from time to time in negotiations for acquisitions or dispositions of properties. We may also enter into letters of intent for the purchase or sale of properties. Any prospective acquisition or disposition that is being evaluated or which is subject to a letter of intent may not be consummated, or if consummated, may not result in accretive funds from operations.

Financing Arrangements

During the first quarter of 2002, we purchased at par or below, $4.9 million of our outstanding 7.875% senior, unsecured public notes that mature in October 2004. The purchases were funded by amounts available under our unsecured lines of credit which do not mature until June 2003. These purchases were in addition to $14.5 million of the October 2004 notes that were purchased in the fourth quarter of 2001 at par.

At March 31, 2002, approximately 51% of our outstanding long-term debt represented unsecured borrowings and approximately 59% of our real estate portfolio was unencumbered. The average interest rate, including loan cost amortization, on average debt outstanding for the three months ended March 31, 2002 was 7.95%.

We intend to retain the ability to raise additional capital, including public debt or equity, to pursue attractive investment opportunities that may arise and to otherwise act in a manner that we believe to be in our best interest and our shareholders' interests. During the second quarter of 2001, we amended our shelf registration for the ability to issue up to $200 million in debt and $200 million in equity securities. We may also consider the use of operational and developmental joint ventures, selling certain properties that do not meet our long-term investment criteria as well as outparcels on existing properties to generate capital to reinvest into other attractive investment opportunities.

We maintain unsecured, revolving lines of credit that provide for unsecured borrowings up to $75 million at March 31, 2002. During 2001, we extended the maturity of each of our three $25 million lines to June 30, 2003. Based on cash provided by operations, existing credit facilities, ongoing negotiations with certain financial institutions and our ability to sell debt or equity subject to market conditions, we believe that we have access to the necessary financing to fund the planned capital expenditures during 2002.

We anticipate that adequate cash will be available to fund our operating and administrative expenses, regular debt service obligations, and the payment of dividends in accordance with REIT requirements in both the short and long term. Although we receive most of our rental payments on a monthly basis, distributions to shareholders are made quarterly and interest payments on the senior, unsecured notes are made semi-annually. Amounts accumulated for such payments will be used in the interim to reduce the outstanding borrowings under the existing lines of credit or invested in short-term money market or other suitable instruments.

On April 11, 2002, our Board of Directors declared a $.6125 cash dividend per common share payable on May 15, 2002 to each shareholder of record on April 30, 2002, and caused a $.6125 per Operating Partnership unit cash distribution to be paid to the minority interests. The Board of Directors also declared a cash dividend of $.5518 per preferred depositary share payable on May 15, 2002 to each shareholder of record on April 30, 2002.

Market Risk

We are exposed to various market risks, including changes in interest rates. Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest rates. We do not enter into derivatives or other financial instruments for trading or speculative purposes.

We negotiate long-term fixed rate debt instruments and enter into interest rate swap agreements to manage our exposure to interest rate changes. The swaps involve the exchange of fixed and variable interest rate payments based on a contractual principal amount and time period. Payments or receipts on the agreements are recorded as adjustments to interest expense. At March 31, 2002, we had an interest rate swap agreement effective through January 2003 with a notional amount of $25 million. Under this agreement, we receive a floating interest rate based on the 30 day LIBOR index and pay a fixed interest rate of 5.97%. This swap effectively changes our payment of interest on $25 million of variable rate debt to fixed rate debt for the contract period at a rate of 7.72%.

The fair value of the interest rate swap agreement represents the estimated receipts or payments that would be made to terminate the agreement. At March 31, 2002, we would have paid approximately $682,000 to terminate the agreement. A 1% decrease in the 30 day LIBOR index would increase the amount paid by us by $188,000 to approximately $870,000. The fair value is based on dealer quotes, considering current interest rates and remaining term to maturity. We do not intend to terminate our interest rate swap agreement prior to its maturity. This derivative is currently recorded as a liability; however, if held to maturity, the value of the swap will be zero at that time.

The fair market value of long-term fixed interest rate debt is subject to market risk. Generally, the fair market value of fixed interest rate debt will increase as interest rates fall and decrease as interest rates rise. The estimated fair value of our total long-term debt at March 31, 2002 was $355.4 million and its recorded value was $359.6 million. A 1% increase from prevailing interest rates at March 31, 2002 would result in a decrease in fair value of total long-term debt by approximately $11.5 million. Fair values were determined from quoted market prices, where available, using current interest rates considering credit ratings and the remaining terms to maturity.

New Accounting Pronouncements

In 2001, the FASB issued SFAS No. 143, "Accounting for Obligations Associated with Retirement of Long-Lived Assets" ("FAS 143"). FAS 143 establishes accounting standards for the recognition and measurement of an asset retirement obligation and its associated asset retirement costs. It also provides accounting guidance for legal obligations associated with the retirement of tangible long-lived assets. FAS No. 143 is effective for fiscal years beginning after June 15, 2002. We believe the provisions of FAS No. 143 will not have a significant effect on our results of operations or our financial position.

Also in 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("FAS 144"), which replaces SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("FAS 121"). FAS 144 retains the requirements of FAS 121 to recognized an impairment loss only if the carrying amount of a long-lived asset is not recoverable from its undiscounted cash flows and to measure an impairment loss as the difference between the carrying amount and fair value of the asset. The provisions of FAS 144 are effective for financial statements issued for fiscal years beginning after December 15, 2001. We implemented the provisions of FAS 144 on January 1, 2002. FAS 144 did not have an effect on our results of operations or our financial position.

Under both FAS No. 121 and 144, real estate assets designated as held for sale are stated at their fair value less costs to sell. We classify real estate as held for sale when our Board of Directors approves the sale of the assets and we have commenced an active program to sell the assets. Subsequent to this classification, no further depreciation is recorded on the assets. Under FAS No. 121, the operating results of real estate assets held for sale are included in continuing operations. Upon implementation of FAS No. 144 in 2002, the operating results of newly designated real estate assets held for sale will be included in discontinued operations in our results of operations. We currently do not have any assets that are held for sale.

During 2000, the American Institute of Certified Public Accountants' Accounting Standards Executive Committee issued an exposure draft Statement of Position ("SOP") regarding the capitalization of costs associated with property, plant and equipment. Under the proposed SOP, all property plant and equipment related costs would be expensed unless the costs are directly identifiable with specific projects and the proposal would limit the amount of overhead costs companies capitalize to certain payroll or payroll related costs. If this proposal is adopted, the amount of costs we capitalize will be less than would have been capitalized before the adoption of this proposal. The expected effective date of the final SOP is expected in late 2002 or 2003.

Funds from Operations

We believe that for a clear understanding of our consolidated historical operating results, FFO should be considered along with net income as presented in the unaudited consolidated financial statements included elsewhere in this report. FFO is presented because it is a widely accepted financial indicator used by certain investors and analysts to analyze and compare one equity real estate investment trust ("REIT") with another on the basis of operating performance. FFO is generally defined as net income (loss), computed in accordance with generally accepted accounting principles, before extraordinary items and gains (losses) on sale or disposal of depreciable operating properties, plus depreciation and amortization uniquely significant to real estate and after adjustments for unconsolidated partnerships and joint ventures. We caution that the calculation of FFO may vary from entity to entity and as such our presentation of FFO may not be comparable to other similarly titled measures of other reporting companies. FFO does not represent net income or cash flow from operations as defined by generally accepted accounting principles and should not be considered an alternative to net income as an indication of operating performance or to cash from operations as a measure of liquidity. FFO is not necessarily indicative of cash flows available to fund dividends to shareholders and other cash needs.

Below is a calculation of funds from operations for the three months ended March 31, 2002 and 2001 as well as actual cash flow and other data for those respective periods (in thousands):
<TABLE>
<CAPTION>

	2002	2001

Funds from Operations:

<S>	<C>	<C>
Net income	$ 1,445	$ 795
Adjusted for:		
Extraordinary item-loss on early extinguishment of debt	---	130
Minority interest	382	185
Depreciation and amortization uniquely significant to real estate	7,100	7,122
Funds from operations before minority interest	$ 8,927	$ 8,232
Cash flow provided by (used in):		
Operating activities	$ 6,116	$ 8,582
Investing activities	$ (2,085)	$ (6,730)
Financing activities	$ (4,336)	$ (2,272)
Weighted average shares outstanding (1)	11,787	11,713

(1) Assumes our preferred shares, share and unit options and partnership units of the Operating Partnership held by the minority interest are all converted to our common shares.
</TABLE>

Economic Conditions and Outlook

The majority of our leases contain provisions designed to mitigate the impact of inflation. Such provisions include clauses for the escalation of base rent and clauses enabling us to receive percentage rentals based on tenants' gross sales (above predetermined levels, which we believe often are lower than traditional retail industry standards) that generally increase as prices rise. Most of the leases require the tenant to pay their share of property operating expenses, including common area maintenance, real estate taxes, insurance and advertising and promotion, thereby reducing exposure to increases in costs and operating expenses resulting from inflation.

While factory outlet stores continue to be a profitable and fundamental distribution channel for brand name manufacturers, some retail formats are more successful than others. As typical in the retail industry, certain tenants have closed, or will close, certain stores by terminating their lease prior to its natural expiration or as a result of filing for protection under bankruptcy laws.

Approximately 33% of our lease portfolio is scheduled to expire during the next two years. Approximately, 935,000 square feet of space is up for renewal during 2002, 20% of which is located in our dominant center in Riverhead, NY, and approximately 848,000 square feet will come up for renewal in 2003. If we were unable to successfully renew or release a significant amount of this space on favorable economic terms, the loss in rent could have a material, adverse effect on our results of operations.

As of March 31, 2002, we have renewed approximately 404,000 square feet, or 43% of the square feet scheduled to expire in 2002. The existing tenants have renewed at an average base rental rate approximately 5% higher than the expiring rate. We also re-tenanted 94,000 square feet of vacant space during the first three months of 2002 at a 9% increase in the average base rental rate from that which was previously charged. Our factory outlet centers typically include well-known, national, brand name companies. By maintaining a broad base of creditworthy tenants and a geographically diverse portfolio of properties located across the United States, we reduce our operating and leasing risks. No one tenant (including affiliates) accounts for more than 6% of our combined base and percentage rental revenues. Accordingly, we do not expect any material adverse impact on our results of operation and financial condition as a result of leases to be renewed or stores to be released.

As of March 31, 2002, our centers were 95% occupied. Consistent with our long-term strategy of remerchandising centers, we will continue to hold space off the market until an appropriate tenant is identified. While we believe this strategy will add value to our centers in the long-term, it may reduce our average occupancy rate in the near term.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Neither the Company nor the Operating Partnership is presently involved in any material litigation nor, to their knowledge, is any material litigation threatened against the Company or the Operating Partnership or its properties, other than routine litigation arising in the ordinary course of business and which is expected to be covered by liability insurance.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits - None.

(b) Reports on Form 8-K - None.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

TANGER FACTORY OUTLET CENTERS, INC.

By: /s/ FRANK C. MARCHISELLO, JR.

Frank C. Marchisello, Jr.
Senior Vice President, Chief Financial Officer

DATE: May 2, 2002