FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

For the quarterly period ended September 30, 1999

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

7,850,256 Common Shares, $.01 par value,
outstanding as of November 1, 1999

TANGER FACTORY OUTLET CENTERS, INC.

Index

Part I. Financial Information

<TABLE>

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

<CAPTION>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
	(unaudited)		(unaudited)	
REVENUES				
<S>	<C>	<C>	<C>	<C>
Base rentals	$17,151	$16,771	$51,314	$48,895
Percentage rentals	888	803	1,774	1,678
Expense reimbursements	7,107	6,957	20,316	20,442
Other income	1,759	536	2,803	1,208
Total revenues	26,905	25,067	76,207	72,223
EXPENSES				
Property operating	7,993	7,981	22,221	22,030
General and administrative	1,880	1,627	5,409	4,966
Interest	5,957	5,840	17,968	16,065
Depreciation and amortization	6,200	5,728	18,525	16,407
Total expenses	22,030	21,176	64,123	59,468
Income before gain on disposal or sale of real estate, minority interest and extraordinary item	4,875	3,891	12,084	12,755
Gain on disposal or sale of real estate	1,313	---	1,313	994
Income before minority interest and extraordinary item	6,188	3,891	13,397	13,749
Minority interest	(1,591)	(946)	(3,330)	(3,424)
Income before extraordinary item	4,597	2,945	10,067	10,325
Extraordinary item - Loss on early extinguishment of debt, net of minority interest of $96 and $128	---	---	(249)	(332)
Net income	4,597	2,945	9,818	9,993
Less preferred share dividends	(481)	(481)	(1,441)	(1,433)
Net income available to common shareholders	$4,116	$2,464	$8,377	$8,560
Basic earnings per common share:				
Income before extraordinary item	$.52	$.31	$1.10	$1.13

Extraordinary item	---	---	(.03)	(.04)
Net income	$.52	$.31	$1.07	$1.09
Diluted earnings per common share:				
Income before extraordinary item	$.52	$.31	$1.09	$1.11
Extraordinary item	---	---	(.03)	(.05)
Net income	$.52	$.31	$1.06	$1.06
Dividends paid per common share	$.61	$.60	$1.81	$1.75

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

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

<CAPTION>

	September 30, 1999	December 31, 1998
	(unaudited)	
ASSETS		
Rental Property		
Land	$53,632	$53,869
Buildings, improvements and fixtures	473,207	458,546
Developments under construction	16,655	16,832
	543,494	529,247
Accumulated depreciation	(98,745)	(84,685)
Rental property, net	444,749	444,562
Cash and cash equivalents	200	6,330
Deferred charges, net	8,733	8,218
Other assets	14,069	12,685
Total assets	$467,751	$471,795
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilites		
Long-term debt		
Senior, unsecured notes	$150,000	$150,000
Mortgages payable	91,098	72,790
Lines of credit	65,493	

		79,695
	306,591	302,485
Construction trade payables	6,692	9,224
Accounts payable and accrued expenses	14,163	10,723
Total liabilities	327,446	322,432
Commitments		
Minority interest	32,957	35,324
Shareholders' equity		
Preferred shares, $.01 par value, 1,000,000 shares authorized, 88,220 and 88,270 shares issued and outstanding at September 30, 1999 and December 31, 1998	1	1
Common shares, $.01 par value, 50,000,000 shares authorized, 7,850,256 and 7,897,606 shares issued and outstanding at September 30, 1999 and December 31, 1998	78	79
Paid in capital	136,696	137,530
Distributions in excess of net income	(29,427)	(23,571)
Total shareholders' equity	107,348	114,039
Total liabilities and shareholders' equity	$467,751	$471,795

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

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

<CAPTION>

	Nine Months Ended September 30,	
	1999	1998
(Unaudited)		
OPERATING ACTIVITIES		
Net income	$9,818	$9,993
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	18,525	16,407
Amortization of deferred financing costs	758	810
Minority interest	3,234	3,296
Loss on early extinguishment of debt	345	460
Gain on disposal or sale of real estate	(1,313)	(994)
Gain on sale of outparcels of land	(687)	---
Straight-line base rent adjustment	(211)	(573)
Compensation under Unit Option Plan	---	177

Increase (decrease) due to changes in:		
Other assets	(102)	1,159
Accounts payable and accrued expenses	3,440	(828)
Net cash provided by operating activites	33,807	29,907
INVESTING ACTIVITIES		
Acquisition of rental properties	---	(44,650)
Additions to rental properties	(26,613)	(26,267)
Additions to deferred lease costs	(1,709)	(1,891)
Net proceeds from sale of real estate	1,987	2,561
Insurance proceeds from casualty losses	7,853	---
Advances to officer	(2,436)	---
Net cash used in investing activities	(20,918)	(70,247)
FINANCING ACTIVITIES		
Repurchase of common shares	(958)	---
Cash dividends paid	(15,674)	(15,194)
Distributions to minority interest	(5,490)	(5,308)
Proceeds from mortgages payable	66,500	---
Repayments on mortgages payable	(48,192)	(934)
Proceeds from revolving lines of credit	74,448	112,945
Repayments on revolving lines of credit	(88,650)	(52,615)
Additions to deferred financing costs	(1,015)	(264)
Proceeds from exercise of unit options	12	762
Net cash provided by (used in) financing activities	(19,019)	39,392
Net decrease in cash and cash equivalents	(6,130)	(948)
Cash and cash equivalents, beginning of period	6,330	3,607
Cash and cash equivalents, end of period	$200	$2,659

Supplemental schedule of non-cash investing activities:
The Company purchases capital equipment and incurs costs relating to construction of new facilities, including tenant finishing allowances. Expenditures included in construction trade payables as of September 30, 1999 and 1998 amounted to $6,692 and $8,649, respectively.

The accompanying notes are an integral part of these consolidated financial statements.
</TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 1999
(Unaudited)

1. Interim Financial Statements

The unaudited Consolidated Financial Statements of Tanger Factory Outlet Centers, Inc., a North Carolina corporation (the "Company"), have been prepared pursuant to generally accepted accounting principles and should be read in conjunction with the Consolidated Financial Statements and Notes thereto of the Company's Annual Report on Form 10-K for the year ended December 31, 1998. Certain information and note disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles 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.

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.

2. Rental Properties

During the first nine months of 1999, the Company opened expansions in four of its centers totaling 139,000 square feet. Additionally, approximately 154,000 square feet of expansions in four of the Company's centers are currently under construction and are scheduled to begin opening by the end of 1999.

On September 14, 1999, the Company announced that it had signed definitive agreements to acquire a total of 27 acres of land from Bass Pro Outdoor World, L.P., known as "Sportsman's Park", located on I-95 near Fort Lauderdale, Florida. The Company expects to complete the purchase of the initial 15 acre parcel of the development project, which includes an existing 165,000 square foot Bass Pro Shops Outdoor World store, by the end of the year. Bass Pro Outdoor World, L.P. will in turn enter into a long term lease with the Company for the existing store.

On May 3, 1999, a tornado destroyed the Company's outlet center in Stroud, Oklahoma, rendering the center non-operational. The Company has filed claims with its insurance carrier for both replacement cost and business interruption losses applicable to this property and is currently in the process of negotiating a final settlement. The Company has received $7.9 million in insurance proceeds for the replacement of the property as of September 30, 1999. As a result, the Company removed the costs and related accumulated depreciation and amortization of the portion of the Stroud assets destroyed by the tornado during the third quarter, recognizing a gain on disposal of $1.3 million. Business interruption insurance is being recognized on a straight-line basis over the expected period of business interruption. Proceeds totaling $523,000 have been recognized as Other Income for the second and third quarters.

Commitments to complete construction of the expansions to the existing centers and other capital expenditure requirements amounted to approximately $5.4 million at September 30, 1999. Commitments for construction represent only those costs contractually required to be paid by the Company.

Interest costs capitalized during the three months ended September 30, 1999 and 1998 amounted to $293,000 and $113,000, respectively, and during the nine months ended September 30, 1999 and 1998 amounted to $903,000 and $512,000, respectively.

3. Other Assets

Other assets include notes receivable totaling $2.4 million from Stanley K. Tanger, the Company's Chairman of the Board and Chief Executive Officer. Mr. Tanger and the Company have entered into demand note agreements whereby he may borrow up to $3 million through various advances from the Company for an investment in a separate E-commerce outlet retail business venture. The notes bear interest at a rate of 8% per annum and are secured by Mr. Tanger's limited partnership interest in Tanger Investments Limited Partnership. Mr. Tanger intends to fully repay the loan.

For the three and nine months ended September 30, 1999, Other Income includes $687,000 in gains on sales of outparcels of land.

4. Long-Term Debt

On March 18, 1999, the Company obtained a $66.5 million non-recourse loan due April 1, 2009 with John Hancock Mutual Life Insurance at a fixed interest rate of 7.875%. The new loan refinanced a prior loan, also with John Hancock, which had a balance of approximately $47.3 million, an interest rate of 8.92% and a scheduled maturity of January 1, 2002. The additional proceeds were used to reduce amounts outstanding under the revolving lines of credit. The unamortized deferred financing costs associated with the prior loan were expensed during the first quarter and are reflected as an extraordinary item, net of minority interest, in the accompanying statements of operations.

The Company has revolving unsecured lines of credit with a borrowing capacity of $100 million, of which $34.5 million was available for additional borrowings at September 30, 1999. During the first nine months of 1999, the Company extended the maturities of all of its lines of credit by one year. The lines of credit now have maturity dates in the years 2001 and 2002.

In June 1999, the Company terminated its interest rate swap agreement with a notional amount of $20 million and, based on its fair value at that time, received cash proceeds of $146,000. The agreement was scheduled to expire in October 2001. The proceeds have been recorded as deferred income and are being amortized as a reduction to interest expense over the remaining life of the original contract term.

5. Stock Repurchases

In 1998, the Board of Directors authorized the Company to repurchase up to $6 million of its outstanding common shares. During the nine months ended September 30, 1999, the Company repurchased and retired an additional 48,300 shares at an average price $19.83 per share for approximately $958,000, leaving a balance of $4.8 million authorized for future repurchases.

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):

	Three Months Ended September 30, 1999	Three Months Ended September 30, 1998	Nine Months Ended September 30, 1999	Nine Months Ended September 30, 1998
Numerator:				
Income before extraordinary item	$4,597	$2,945	$10,067	$10,325
Less preferred share dividends	(481)	(481)	(1,441)	(1,433)
Income available to common shareholders - numerator for basic and diluted earnings per share	4,116	2,464	8,626	8,892
Denominator:				
Basic weighted average common shares	7,850	7,901	7,861	7,881
Effect of outstanding share and unit options	70	117	22	163
Diluted weighted average common shares	7,920	8,018	7,883	8,044
Basic earnings per share before extraordinary item	$.52	$.31	$1.10	$1.13
Diluted earnings per share before extaordinary item	$.52	$.31	$1.09	$1.11

Options to purchase common shares which were excluded from the computation of diluted earnings per share because the exercise price was greater than the average market price of the common shares totaled 370,000 and 272,000 for the three months ended September 30, 1999 and 1998, respectively, and

684,000 and 267,000 for the nine months ended September 30, 1999 and 1998, 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 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 consolidated financial statements appearing elsewhere in this report. Historical results and percentage relationships set forth in the consolidated statements of operations, including trends which might appear, are not necessarily indicative of future operations.

The discussion of the Company's results of operations reported in the consolidated statements of operations compares the three and nine months ended September 30, 1999 with the three and nine months ended September 30, 1998. 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. The Company intends 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 tenants' business may change if the economy changes, which might effect (1) the amount of rent they pay us, (2) their ability to pay rent to us, (3) their demand for new space, or (4) 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);

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

- 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 September 30, 1999, the Company owned 30 centers in 22 states totaling 4,946,000 square feet of GLA compared to 31 centers in 23 states totaling 4,954,000 square feet of GLA at September 30, 1998. GLA has decreased a net amount of 8,000 square feet since September 30, 1998, comprised of an increase of 190,000 square feet due to expansions in four of the Company's centers and a decrease of 198,000 square feet due to the tornado destruction of the center in Stroud, Oklahoma.

During the first nine months of 1999, the Company opened expansions in four of its centers totaling 139,000 square feet. Additionally, approximately 154,000 square feet of expansions in four of the Company's centers are currently under construction and are scheduled to begin opening by the end of 1999.

On May 3, 1999, a tornado destroyed the Company's outlet center in Stroud, Oklahoma, rendering the center non-operational. The Company has filed claims with its insurance carrier for both replacement cost and business interruption losses applicable to this property and is currently in the process of negotiating a settlement. The Company has received $7.9 million in insurance proceeds for the replacement of the property as of September 30, 1999. As a result, the Company removed the costs and related accumulated depreciation and amortization of the portion of the Stroud assets destroyed by the tornado during the third quarter, recognizing a gain on disposal of $1.3 million. Business interruption insurance is being recognized on a straight-line basis over the expected period of business interruption. Proceeds totaling $523,000 have been recognized as Other Income for the second and third quarters.

A summary of the operating results for the three and nine months ended September 30, 1999 and 1998 is presented in the following table, expressed in amounts calculated on a weighted average GLA basis.

	Three Months Ended September 30, 1999	Three Months Ended September 30, 1998	Nine Months Ended September 30, 1999	Nine Months Ended September 30, 1998
GLA open at end of period (000's)	4,946	4,954	4,946	4,954
Weighted average GLA (000's) (1)	4,939	4,869	4,976	4,700
Outlet centers in operation	30	31	30	31
New centers acquired	---	1	---	2
Centers disposed of or sold	1	---	1	1
Centers expanded	2	1	4	1
States operated in at end of period	22	23	22	23
Occupancy percentage at end of period	95	95	95	95
Per square foot				
Revenues				
Base rentals	$3.47	$3.44	$10.31	$10.40
Percentage rentals	.18	.16	.36	.36
Expense reimbursements	1.44	1.43	4.08	4.35
Other income	.36	.11	.56	.26
Total revenues	5.45	5.14	15.31	15.37
Expenses				
Property operating	1.62	1.64	4.47	4.69
General and administrative	.38	.33	1.09	1.06
Interest	1.21	1.20	3.61	3.42
Depreciation and amortization	1.26	1.18	3.72	3.49
Total expenses	4.47	4.35	12.89	12.66
Income before gain on disposal or sale of real estate, minority interest and extraordinary item	$.98	$.79	$2.42	$2.71

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

</TABLE>

RESULTS OF OPERATIONS

Comparison of the three months ended September 30, 1999 to the three months ended September 30, 1998

Base rentals increased $380,000, or 2%, in the 1999 period when compared to the same period in 1998. The increase is primarily due to the effect of a full three months of rent in 1999 from a center acquired on July 31, 1998 and due to the expansions as mentioned in the Overview above, offset by the loss of rent from the destruction of the outlet center in Stroud, Oklahoma by a tornado on May 3, 1999. Base rent per weighted average GLA increased $.03 per foot in the three months ended September 30, 1999 compared to the same period in 1998 due to the loss of the Stroud center which had a lower average base rent per square foot compared to the portfolio average.

Percentage rentals, which represent revenues based on a percentage of tenants' sales volume above predetermined levels (the "breakpoint"), increased $85,000, and on a weighted average GLA basis, increased $.02 per square foot in the 1999 period compared to the same period in 1998. The increase reflects higher sales for certain tenants who normally achieve sales over their breakpoints in the third quarter.

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, increased from 87% in the 1998 three month period to 89% in the 1999 three month period primarily as a result of lower property operating expenses per square foot in the 1999 period compared to the 1998 period.

Other income has increased $1.2 million in the 1999 period as compared to the 1998 period. The increase is primarily due to gains on sale of out parcels of land totaling $687,000 during the 1999 three month period as well as to the recognition of $523,000 of business interruption insurance proceeds relating to the Stroud, Oklahoma center.

Property operating expenses decreased by $12,000 in the 1999 period as compared to the 1998 period reflecting increases due to expansions of existing properties offset by the loss of the Stroud, Oklahoma center. On a weighted average GLA basis, property operating expenses decreased $.02 per square foot from $1.64 to $1.62. Higher real estate taxes per square foot were offset by considerable decreases in advertising and promotion and common area maintenance expenses per square foot.

General and administrative expenses increased $253,000, or 16%, in the 1999 quarter as compared to the 1998 quarter. As a percentage of revenues, general and administrative expenses increased to 7% of revenues in the 1999 quarter compared to 6.5% in the 1998 quarter. On a weighted average GLA basis, general and administrative expenses increased $.05 per square foot from $.33 in 1998 to $.38 in 1999. The increase in general and administrative expenses is primarily due to rental and related expenses for the new corporate office space to which the Company relocated its corporate headquarters in April 1999.

Interest expense increased $117,000 during the 1999 period as compared to the 1998 period due to financing the July 1998 acquisition and the 1999 expansions. However, interest expense was favorably impacted by the reduction in the Company's lines of credit with the insurance proceeds received from the loss of the Stroud center. Depreciation and amortization per weighted average GLA increased from $1.18 per square foot in the 1998 period to $1.26 per square foot in the 1999 period due to a higher mix of tenant finishing allowances included in buildings and improvements which are depreciated over shorter lives (i.e., over lives generally ranging from 3 to 10 years as opposed to other construction costs which are depreciated over lives ranging from 15 to 33 years.)

The gain on disposal of real estate during the three months ended September 30, 1999 represents the amount of insurance proceeds received to date from the loss of the Stroud, Oklahoma center in excess of the carrying amount of the related assets which were destroyed by a tornado on May 3, 1999.

Comparison of the nine months ended September 30, 1999 to the nine months ended September 30, 1998

Base rentals increased $2.4 million, or 5%, in the 1999 period when compared to the same period in 1998. The increase is primarily due to the effect of a full nine months of rent in 1999 from centers acquired on March 31, 1998 and July 31, 1998 as well as the expansions mentioned in the Overview above, offset by the loss of rent from the destruction of the outlet center in Stroud, Oklahoma by a tornado on May 3, 1999. Base rent per weighted average GLA decreased $.09 per foot due to the portfolio of properties having a lower overall average occupancy rate in the first nine months of 1999 compared to the same period in 1998. Base rent per square foot, however, was favorably impacted in the first nine months of 1999 due to the loss of Stroud which had a lower average base rent per square foot than the portfolio average.

Percentage rentals, which represent revenues based on a percentage of tenants' sales volume above predetermined levels (the "breakpoint"), increased by $96,000, and on a weighted average GLA basis, remained flat with the prior year at $.36 per square foot. For the nine months ended September 30, 1999, reported same-store sales, defined as the weighted average sales per square foot reported by tenants for stores open since January 1, 1998, were down less than 1% with that of the previous year, while same space sales for the rolling 12 months ended September 30, 1999 have actually increased 6% to $263 per square foot due to the Company's efforts to re-merchandise selected centers by replacing low volume tenants with high volume tenants.

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 from 93% in the 1998 nine month period to 91% in the 1999 nine month period primarily as a result of a lower average occupancy rate in the 1999 period compared to the 1998 period.

Other income has increased $1.6 million in the 1999 period as compared to the 1998 period. The increase is primarily due to gains on sale of out parcels of land totaling $687,000 during the 1999 nine month period as well as to the recognition of $523,000 of business interruption insurance proceeds relating to the Stroud, Oklahoma center.

Property operating expenses increased by $191,000, or 1%, in the 1999 period as compared to the 1998. However, on a weighted average GLA basis, property operating expenses decreased $.22 per square foot from $4.69 to $4.47. Higher real estate taxes per square foot were offset by considerable decreases in advertising and promotion and common area maintenance expenses per square foot.

General and administrative expenses increased $443,000, or 9%, in the 1999 nine month period as compared to the 1998 period. As a percentage of revenues, general and administrative expenses were approximately 7% of revenues in both the 1999 and 1998 periods and, on a weighted average GLA basis, increased $.03per square foot from $1.06 in 1998 to $1.09 in 1999. The increase in general and administrative expenses per square foot reflects the rental and related expenses for the new corporate office space to which the Company relocated its corporate headquarters in April 1999.

Interest expense increased $1.9 million during the 1999 period as compared to the 1998 period due to financing the 1998 acquisitions and the 1998 and 1999 expansions. However, interest expense was favorably impacted by the insurance proceeds received from the loss of the Stroud center which were used to immediately reduce outstanding amounts under the Company's lines of credit. Depreciation and amortization per weighted average GLA increased from $3.49 per square foot in the 1998 period to $3.72 per square foot in the 1999 period due to a higher mix of tenant finishing allowances included in buildings and improvements which are depreciated over shorter lives (i.e., over lives generally ranging from 3 to 10 years as opposed to other construction costs which are depreciated over lives ranging from 15 to 33 years.)

The gain on disposal of real estate during the nine months ended September 30, 1999 represents the amount of insurance proceeds received to date from the loss of the Stroud, Oklahoma center in excess of the carrying amount of the related assets which were destroyed by a tornado on May 3, 1999. The gain on sale of real estate for the nine months ended September 30, 1998 is due primarily to the sale of an 8,000 square foot, single tenant property in Manchester, VT.

The extraordinary losses recognized in each nine month period represent the write-off of unamortized deferred financing costs related to debt that was extinguished during each period prior to its scheduled maturity.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was $33.8 million and $29.9 million for the nine months ended September 30, 1999 and 1998, respectively. The increase in cash provided by operating activities is due to increases in operating income from the 1998 acquisitions and 1999 expansions and in accounts payable during 1999 when compared to the same period in 1998. Net cash used in investing activities was $20.9 million and $70.2 million during the first nine months of 1999 and 1998, respectively. Cash used was higher in 1998 primarily due to the acquisitions of factory outlet centers in Dalton, Georgia and in Ft. Myers, Florida in 1998. Cash used in investing activities also decreased due to the $7.9 million in insurance proceeds from the loss of the Stroud, Oklahoma center. Likewise, net cash provided by (used in) financing activities amounted to $(19.0) million and $39.4 million during the first nine months of 1999 and 1998, respectively, decreasing consistently with the capital needs of the current acquisition and expansion activity. Also attributing to the decrease in cash from financing activities in the first nine months of 1999 compared to the same period in 1998 was an increase in dividends paid of $662,000 and the repurchase and retirement of some of the Company's common shares totaling $958,000 in 1999.

During the first nine months of 1999, the Company opened expansions in four of its centers totaling 139,000 square feet. Additionally, approximately 154,000 square feet of expansions in four of the Company's centers are currently under construction and are scheduled to begin opening by the end of 1999. Commitments to complete construction of the expansions to the existing centers and other capital expenditure requirements amounted to approximately $5.4 million at September 30, 1999. Commitments for construction represent only those costs contractually required to be paid by the Company.

On September 14, 1999, the Company announced that it had signed definitive agreements to acquire a total of 27 acres of land from Bass Pro Outdoor World, L.P., known as "Sportsman's Park", located on I-95 near Fort Lauderdale, Florida. The Company expects to complete the purchase of the initial 15 acre parcel of the development project which includes an existing 165,000 square foot Bass Pro Shops Outdoor World store, by the end of the year. Bass Pro Outdoor World, L.P. will in turn enter into a long term lease with the Company for the existing store. The Company is in the preleasing stages to develop the remaining 12 acre parcel of land with outlet tenants which would bring the total shopping center to approximately 300,000 square feet upon completion.

The Company also is in the process of developing plans for additional expansions and new centers for completion in 2000 and beyond. Currently, the Company is in the preleasing stages for a future center in Bourne, Massachusetts and for further expansions of existing Centers. However, these anticipated or planned developments or expansions may not be started or completed as scheduled, or may not result in accretive funds from operations. In addition, the Company regularly evaluates acquisition or disposition proposals, engages from time to time in negotiations for acquisitions or dispositions and may from time to time 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 also may not be consummated, or if consummated, may not result in accretive funds from operations.

Other assets include a receivable totaling $2.4 million from Stanley K. Tanger, the Company's Chairman of the Board and Chief Executive Officer. During the first nine months, Mr. Tanger and the Company entered into demand note agreements whereby he may borrow up to $3 million through various advances from the Company for an investment in a separate E-commerce outlet retail business venture. The notes bear interest at a rate of 8% per annum and are secured by Mr. Tanger's limited partnership interest in Tanger Investments Limited Partnership. Mr. Tanger intends to fully repay the loans.

The Company maintains revolving lines of credit which provide for unsecured borrowings up to $100 million, of which $34.5 million was available for additional borrowings at September 30, 1999. As a general matter, the Company anticipates utilizing its lines of credit as an interim source of funds to acquire, develop and expand factory outlet centers and to repay the credit lines with longer-term debt or equity when management determines that market conditions are favorable. Under joint shelf registration, the Company and the Operating Partnership could issue up to $100 million in additional equity securities and $100 million in additional debt securities. With the decline in the real estate debt and equity markets, the Company may not, in the short term, be able to access these markets on favorable terms. Management believes the decline is temporary and may utilize these funds as the markets improve to fund its continued growth. In the interim, the Company may consider the use of operational and developmental joint ventures and other related strategies to generate additional capital. Based on cash provided by operations, existing credit facilities, ongoing negotiations with certain financial institutions and funds available under the shelf registration, management believes that the Company has access to the necessary financing to fund the planned capital expenditures during 1999.

On March 18, 1999, the Company refinanced its 8.92% notes which had a carrying amount of $47.3 million. The refinancing reduced the interest rate to 7.875%, increased the loan amount to $66.5 million and extended the maturity date to April 2009. The additional proceeds were used to reduce amounts outstanding under the revolving lines of credit. As a result of this refinancing, management expects to realize a savings in interest cost of approximately $300,000 over the next twelve months. In addition, the Company has extended the maturities of all of its revolving lines of credit by one year. The lines of credit now have maturity dates in the years 2001 and 2002.

At September 30, 1999, approximately 70% of the outstanding long-term debt represented unsecured borrowings and approximately 79% of the Company's real estate portfolio was unencumbered. The weighted average interest rate on debt outstanding on September 30, 1999 was 8.0%.

The Company anticipates that adequate cash will be available to fund its 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 the Company receives most of its 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. Certain of the Company's debt agreements limit the payment of dividends such that dividends will not exceed funds from operations ("FFO"), as defined in the agreements, for the prior fiscal year on an annual basis or 95% of FFO on a cumulative basis from the date of the agreement.

On October 7, 1999, the Board of Directors of the Company declared a $.605 cash dividend per common share payable on November 15, 1999 to each shareholder of record on October 29, 1999, and caused a $.605 per Operating Partnership unit cash distribution to be paid to the minority interests. The Board of Directors of the Company also declared a cash dividend of $.5451 per preferred depositary share payable on November 15, 1999 to each shareholder of record on October 29, 1999.

Market Risk

The Company is 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. The Company does not enter into derivatives or other financial instruments for trading or speculative purposes.

The Company enters into interest rate swap agreements to manage its 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. In June 1999, the Company terminated its only interest rate swap agreement effective through October 2001 with a notional amount of $20 million. Under this agreement, the Company received a floating interest rate based on the 30 day LIBOR index and paid a fixed interest rate of 5.47%. Upon termination of the agreement, the Company received $146,000 in cash proceeds. The proceeds have been recorded as deferred income and are being amortized as a reduction to interest expense over the remaining life of the original contract term.

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 the Company's total long-term debt at September 30, 1999 was $301.5 million. A 1% increase from prevailing interest rates at September 30, 1999 would result in a decrease in fair value of total long-term debt by approximately $5.2 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

On June 15, 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("SFAS 133"). SFAS 133, as amended by SFAS 137, is effective for the first quarter of fiscal 2001. SFAS 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. Management of the Company anticipates that, due to its limited use of derivative instruments, the adoption of SFAS 133 will not have a significant effect on the Company's results of operations or its financial position.

Funds from Operations

Management believes that for a clear understanding of the consolidated historical operating results of the Company, 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 of real estate, plus depreciation and amortization uniquely significant to real estate. The Company cautions that the calculation of FFO may vary from entity to entity and as such the presentation of FFO by the Company 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 and nine months ended September 30, 1999 and 1998 as well as actual cash flow and other data for those respective periods (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Funds from Operations:				
Net income	$4,597	$2,945	$9,818	$9,993
Adjusted for:				
Extraordinary item - loss on early extinguishment of debt	---	---	249	332
Minority interest	1,591	946	3,330	3,424
Depreciation and amortization uniquely significant to reastate	6,149	5,661	18,363	16,250
Gain on disposal or sale of real estate	(1,313)	---	(1,313)	(994)
Funds from operations before minority interest (1)	$11,024	$9,552	$30,447	$29,005
Weighted average shares outstanding (2)	11,748	11,853	11,711	11,885
Cash flows provided by (used in):				
Operating activities			$33,807	$29,907
Investing activities			(20,918)	(70,247)
Financing activities			(19,019)	39,392

(1) For the three and nine months ended September 30, 1999, includes $687 in gains on sales of outparcels of land.
(2) Assumes the partnership units of the Operating Partnership held by the minority interest, preferred shares of the Company and stock and unit options are converted to common shares of the Company.

Economic Conditions and Outlook

The majority of the Company's leases contain provisions designed to mitigate the impact of inflation. Such provisions include clauses for the escalation of base rent and clauses enabling the Company to receive percentage rentals based on tenants' gross sales (above predetermined levels, which the Company believes often are lower than traditional retail industry standards) which 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.

As part of its strategy of aggressively managing its assets, the Company is strengthening the tenant base in several of its centers by adding strong new anchor tenants, such as Nike, GAP and Nautica. To accomplish this strategy, stores may remain vacant for a longer period of time in order to recapture enough space to meet the size requirement of these upscale, high volume tenants. Consequently, the Company anticipates that its average occupancy level will remain strong, but may be more in line with the industry average.

As of September 30, 1999, the Company has renewed approximately 588,000 square feet, or 79% of the square feet scheduled to expire in 1999. Approximately 633,000 square feet will come up for renewal in 2000. If the Company 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 its results of operations. However, existing tenants' sales have remained stable and renewals by existing tenants have remained strong. In addition, the Company continues to attract and retain additional tenants. The Company's 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, the Company reduces its operating and leasing risks. No one tenant (including affiliates) accounts for more than 8% of the Company's combined base and percentage rental revenues. Accordingly, management currently does not expect any material adverse impact on the Company's results of operation and financial condition as a result of leases to be renewed or stores to be released.

Year 2000 Compliance

The year 2000 ("Y2K") issue refers generally to computer applications using only the last two digits to refer to a year rather than all four digits. As a result, these applications could fail or create erroneous results if they recognize "00" as the year 1900 rather than the year 2000. The Company has taken Y2K initiatives in three general areas which represent the areas that could have an impact on the Company - information technology systems, non-information technology systems and third-party issues. The following is a summary of these initiatives:

INFORMATION TECHNOLOGY SYSTEMS. The Company has focused its efforts on the high-risk areas of the computer hardware and operating systems and software applications at the corporate office. The Company's assessment and testing of existing equipment and software revealed that certain older desktop personal computers, the network operating system and the DOS-based accounting system were not Y2K compliant The Company has replaced all critical non-compliant equipment and also has installed current upgrades for the DOS-based accounting software and the network operating systems which has made these systems compliant with Y2K.

NON-INFORMATION TECHNOLOGY SYSTEMS. Non-information technology consists mainly of facilities management systems such as telephone, utility and security systems for the corporate office and the outlet centers. The Company has reviewed the corporate facility management systems and made inquiry of the building owner/manager and concluded that the corporate office building systems including telephone, utilities, fire and security systems are Y2K compliant. The Company has also identified date sensitive systems and equipment including HVAC units, telephones, security systems and alarms, fire warning systems and general office systems at each of its outlet centers. The Company has replaced, or will have replaced by the end of 1999, all critical non-compliant systems. Based on our current assessment, the cost of replacement is not expected to be significant.

THIRD PARTIES. The Company has third-party relationships with approximately 260 tenants and over 8,000 suppliers and contractors. Many of these third party tenants are publicly-traded corporations and subject to disclosure requirements. The Company has begun assessment of major third parties' Y2K readiness including tenants, key suppliers of outsourced services including stock transfer, debt servicing, banking collection and disbursement, payroll and benefits, while simultaneously responding to their inquiries regarding the Company's readiness. The majority of the Company's vendors are small suppliers that the Company believes can manually execute their business and are readily replaceable. Management also believes there is no material risk of being unable to procure necessary supplies and services from third parties who have not already indicated that they are currently Y2K compliant. The Company is diligently

working to substantially complete its third party assessment. The Company has received responses to approximately 73% of the surveys sent to tenants, banks and key suppliers and intends to contact the remaining companies for a response. Of the companies who responded, 99% have indicated they are presently, or will be by December 31, 1999, Y2K compliant. The Company also intends to monitor Y2K disclosures in SEC filings of publicly-owned third parties commencing with the current quarter filings.

COSTS. The accounting software and network operating system upgrades were executed under existing maintenance and support agreements with software vendors, and thus the Company did not incur incremental costs to bring those systems in compliance. Approximately $220,000 has been spent to upgrade or replace equipment or systems specifically to bring them in compliance with Y2K.

The total cost of Y2K compliance activities, expected to be less than $400,000, has not been, and is not expected to be material to the operating results or financial position of the Company.

The identification and remediation of systems at the outlet centers is being accomplished by in-house business systems personnel and outlet center general managers whose costs are recorded as normal operating expenses. The assessment of third-party readiness is also being conducted by in-house personnel whose costs are recorded as normal operating expenses. The Company is not yet in a position to estimate the cost of third-party compliance issues, but has no reason to believe, based upon its evaluations to date, that such costs will exceed $100,000.

RISKS. The principal risks to the Company relating to the completion of its accounting software conversion is failure to correctly bill tenants by December 31, 1999 and to pay invoices when due. Management believes it has adequate resources, or could obtain the needed resources, to manually bill tenants and pay bills until the systems became operational.

The principal risks to the Company relating to non-information systems at the outlet centers are failure to identify time-sensitive systems and inability to find a suitable replacement system. The Company believes that adequate replacement components or new systems are available at reasonable prices and are in good supply. The Company also believes that adequate time and resources are available to remediate these areas as needed.

The principal risks to the Company in its relationships with third parties are the failure of third-party systems used to conduct business such as tenants being unable to stock stores with merchandise, use cash registers and pay invoices; banks being unable to process receipts and disbursements; vendors being unable to supply needed materials and services to the centers; and processing of outsourced employee payroll. Based on Y2K compliance work done to date, the Company has no reason to believe that key tenants, banks and suppliers will not be Y2K compliant in all material respects or can not be replaced within an acceptable time frame. The Company will attempt to obtain compliance certification from suppliers of key services as soon as such certifications are available.

CONTINGENCY PLANS. Contingency plans generally involve the development and testing of manual procedures or the use of alternate systems. Viable contingency plans are difficult to develop for potential third party Y2K failures. The Company continues to explore and research alternate systems or uses which may be necessary in the event that a critical third party is not Y2K compliant by December 31, 1999 and will update its contingency plans as additional information becomes available.

The Company description of its Y2K compliance issues are based upon information obtained by management through evaluations of internal business systems and from tenant and vendor compliance efforts. No assurance can be given that the Company will be able to address the Y2K issues for all its systems in a timely manner or that it will not encounter unexpected difficulties or significant expenses relating to adequately addressing the Y2K issue. If the Company or the major tenants or vendors with whom the Company does business fail to address their major Y2K issues, the Company's operating results or financial position could be materially adversely affected. The most likely worst case scenario would be that certain tenants would not be able to pay their rent and that certain accounting functions would have to be processed manually.

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 the liability insurance.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

10.1 Promissory Notes by and between Tanger Properties Limited Partnership and John Hancock Mutual Life Insurance Company aggregating $66,500,000 incorporated herein by reference to the Company's exhibits to the Quarterly Report of Form 10-Q for the period ended March 31, 1999.

(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: November 11, 1999

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The schedule contains summary financial information extracted from the financial statements as of and for the nine months ended September 30, 1999 included herein and is qualified in its entirety by reference to such statements.
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