

SUN COMMUNITIES INC

Form 424B5

September 11, 2012

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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and they are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)

Registration No. 333-181315

SUBJECT TO COMPLETION, DATED SEPTEMBER 10, 2012

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus Dated May 10, 2012)

3,000,000 Shares

Common Stock

We are selling 3,000,000 shares of our common stock.

We have granted the underwriters an option to purchase up to 450,000 additional shares of our common stock.

Our common stock is listed on the New York Stock Exchange under the symbol **SUI**. The last reported sale price of our common stock on the New York Stock Exchange on September 10, 2012 was \$45.90 per share.

To assist us in complying with certain federal income tax requirements applicable to real estate investment trusts, our charter contains certain restrictions relating to the ownership and transfer of our stock, including an ownership limit of 9.8%, in number of shares or value, of the issued and outstanding shares of our capital stock. See **Description of Common Stock Restrictions on Ownership** beginning on page 8 of the accompanying prospectus.

Investing in our common stock involves a high degree of risk. Before buying any of these shares you should carefully read the discussion of material risks of investing in our common stock in Risk Factors beginning on page S-14 of this prospectus supplement, page 2 of the accompanying prospectus and page 9 of our Annual Report on Form 10-K for the year ended December 31, 2011.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters have agreed to purchase the shares of our common stock from us at a price of \$ per share which will result in approximately \$ million of proceeds to us. The underwriters may offer the shares of our common stock in transactions on the New York Stock Exchange, in the over-the-counter market or through negotiated transactions at market prices or at negotiated prices. See Underwriting.

The underwriters expect to deliver the shares to purchasers on or about September , 2012 through the book-entry facilities of The Depository Trust Company.

Sole Book-Running Manager

Citigroup

Co-Manager

BMO Capital Markets

September , 2012

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Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of our common stock. The second part, which is the accompanying prospectus, provides more general information about us and our securities, some of which may not apply to this offering. Both this prospectus supplement and the accompanying prospectus include important information about us and our common stock, and other information of which you should be aware before investing in our common stock. This prospectus supplement and the information incorporated by reference in this prospectus supplement also adds to, updates and changes information contained or incorporated by reference in the accompanying prospectus. If information in this prospectus supplement or the information incorporated by reference in this prospectus supplement is inconsistent with the accompanying prospectus or the information incorporated by reference therein, then this prospectus supplement or the information incorporated by reference in this prospectus supplement will apply and will supersede the information in the accompanying prospectus and the documents incorporated by reference therein.

You should read this prospectus supplement, the accompanying prospectus and the additional information described under the headings **Where You Can Find More Information** and **Incorporation of Certain Documents by Reference** before you make a decision to invest in our common stock.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus prepared by or on behalf of us. Neither we nor the underwriters have authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. Neither we nor the underwriters are making an offer of these securities under any circumstance or in any jurisdiction where the offer is not permitted or unlawful. You should assume that the information contained in this prospectus supplement, the accompanying prospectus and any free writing prospectus prepared by or on behalf of us is accurate only as of their respective dates, and that any information in documents that we have incorporated by reference is accurate only as of the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since those dates.

This prospectus supplement, the accompanying prospectus, and the information incorporated herein and therein by reference includes trademarks, service marks and trade names owned by us or other companies. All trademarks, service marks and trade names included or incorporated by reference into this prospectus supplement or the accompanying prospectus are the property of their respective owners.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus supplement and the accompanying prospectus to Sun, we, us, our or similar references mean Sun Communities, Inc., a Maryland corporation, and its subsidiaries, including Sun Communities Operating Limited Partnership, a Michigan limited partnership, or the Operating Partnership, and Sun Home Services, Inc., a Michigan corporation, or SHS.

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SUMMARY

*This summary highlights certain information about us, this offering and information appearing elsewhere in this prospectus supplement, in the accompanying prospectus and in the documents we incorporate by reference. This summary is not intended to be a complete description of the matters covered in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference, and does not contain all of the information that you should consider before investing in our securities. To fully understand this offering and its consequences to you, you should read and consider this entire prospectus supplement and the accompanying prospectus carefully, including the information referred to under the heading *Risk Factors* in this prospectus supplement beginning on page S-14, in the accompanying prospectus beginning on page 2 and in our Annual Report on Form 10-K for the year ended December 31, 2011 beginning on page 9, and the financial statements and other information incorporated by reference in this prospectus supplement and the accompanying prospectus when making an investment decision. You should also read and consider the information in the documents to which we have referred you in *Where You Can Find More Information* on page S-29 of this prospectus supplement.*

Company Overview

We are a self-administered and self-managed real estate investment trust, or REIT. We own, operate, and develop manufactured housing communities concentrated in the midwestern, southern and southeastern United States. We are a fully-integrated real estate company which, together with our affiliates and predecessors, have been in the business of acquiring, operating and expanding manufactured housing communities since 1975. As of June 30, 2012, we owned and operated a portfolio of 162 properties located in 18 states, which we collectively refer to herein as the Properties, and individually as a Property, including 141 manufactured housing communities, 11 recreational vehicle, or RV, communities, and 10 Properties containing both manufactured housing and RV sites. As of June 30, 2012, the Properties contained an aggregate of 55,921 developed sites comprised of 47,939 developed manufactured home sites and 7,982 RV sites and approximately 6,450 manufactured home sites suitable for development. We lease individual parcels of land, or sites, with utility access for placement of manufactured homes and RVs to our customers. The Properties are designed to offer affordable housing to individuals and families, while also providing certain amenities.

We are engaged through SHS, a taxable REIT subsidiary, in the marketing, selling, and leasing of new and pre-owned homes to current and future residents in our communities. The operations of SHS support and enhance our occupancy levels, property performance and cash flows.

Structured as an umbrella partnership REIT, or UPREIT, the Operating Partnership is the entity through which we conduct substantially all of our operations, and which owns, either directly or indirectly through SHS and other subsidiaries, all of our assets. This UPREIT structure enables us to comply with certain complex requirements under the Federal tax rules and regulations applicable to REITs, and to acquire manufactured housing communities in transactions that defer some or all of the sellers' tax consequences. We are the sole general partner of, and, as of June 30, 2012, held approximately 92.7% of the interests (not including preferred limited partnership interests) in, the Operating Partnership. The interests in the Operating Partnership held by the partners are referred to herein as OP Units. See *Structure of the Company*.

Recent Developments

Completed Acquisitions

On February 16, 2012, we (i) acquired three RV communities, personal property and other associated intangibles from Blue Berry Hill RV LLC, Blue Berry Hill RV SPE LLC, Grand Lake RV and Golf Resort LLC and Three Lakes RV Park, LLC, (ii) acquired substantially all of the assets of Morgan RV Park Management,

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LLC and Ideal Cottage Sales LLC, which are management companies affiliated with these sellers, and (iii) entered into customary non-competition agreements with the principals of these sellers, for an aggregate purchase price of \$25.0 million, which was paid in cash.

On July 24, 2012, we acquired an RV community, personal property and other associated intangibles from Texas Blazing Star RV, Ltd., for an aggregate purchase price of \$7.1 million, comprised of \$4.1 million of assumed debt and \$3.0 million of cash. Blazing Star is a recreational vehicle community with 260 sites located in San Antonio, Texas.

On July 27, 2012, we acquired a manufactured home community, personal property and other associated intangibles from Northville Crossing Venture L.L.C., NC Finance Company, LLC and Medallion Homes Limited Partnership, for an aggregate purchase price of \$32.3 million, which was paid in cash. The acquisition includes 10 manufactured homes and approximately \$1.1 million of loans collateralized by manufactured homes. Northville Crossing Manufactured Home Community is located in Salem Township, Michigan and contains 756 manufactured home sites.

Potential Acquisitions

On July 25, 2012, we entered into a non-binding letter of intent with regard to six Michigan manufactured home community properties totaling 3,596 sites. The letter of intent contemplates that we will acquire (i) four of the properties totaling 1,998 sites for approximately \$55.1 million in cash and the assumption of \$15.7 million of debt, and (ii) certain associated homes and sales contracts for cash in the amount of the seller's cost of the homes and the outstanding principal balances under the sales contracts. For two properties totaling 1,598 sites which we will not acquire, it is proposed that we provide approximately \$14.7 to \$16.7 million of mezzanine financing subordinated to approximately \$43.0 to \$45.0 million of senior debt. Contemporaneously, it is proposed that we will enter into a management agreement under which we will manage these two properties. As of the date hereof, we are continuing to conduct our due diligence, we have not finalized negotiating and drafting the definitive agreements with the sellers or the senior lender and we have not reached agreement with the sellers and the senior lender on numerous material business points. The letter of intent is nonbinding and, due to the considerable conditions that must be satisfied in order to complete the transaction, we cannot give any assurances that the sellers or the senior lender will be willing to proceed with the transaction, that we will be able to successfully negotiate and execute satisfactory definitive documents with the seller and the senior lender, that we and the senior lender will be able to satisfactorily complete our respective due diligence, that we will receive all approvals and consents, that other conditions will be satisfied or that we will ultimately close on this potential acquisition.

On August 16, 2012, we entered into a purchase agreement to acquire an RV community, personal property and other associated intangibles for an aggregate purchase price of approximately \$8.9 million in cash. The RV community is located in Florida and has 462 recreational vehicle sites, 37 developed manufactured home sites, 15 RV park models and 10 RV rental units. The consummation of this transaction is subject to the execution of definitive agreements and customary closing conditions. As a result, there can be no assurances as to the actual closing or the timing of any closing.

Equity Offerings

On May 10, 2012, we and the Operating Partnership entered into an at-the-market Sales Agreement with BMO Capital Markets Corp. and Liquidnet, Inc., which we refer to herein as the ATM Program, to issue and sell shares of our common stock from time to time pursuant to our existing registration statement on Form S-3, having an aggregate offering price of up to \$100 million. Each sales agent is entitled to compensation of up to 1.5% of the gross proceeds from the sale of shares sold through it pursuant to the terms of the sales agreement. Year to date, we issued 252,833 shares of our common stock pursuant to the sales agreement and have received

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net proceeds of approximately \$11.5 million from the sales of these shares of common stock. On September 7, 2012, we suspended the ATM Program pending completion of this offering.

We have agreed with the underwriters of this offering not to sell shares of our common stock, including pursuant to the ATM Program for a period of 90 days from the date of this prospectus supplement, subject to certain exceptions. See Underwriting.

Structure of the Company

The Operating Partnership is structured as an UPREIT. In 1993, we contributed our net assets to the Operating Partnership in exchange for the sole general partner interest in the Operating Partnership and the majority of all of the Operating Partnership's initial capital. We substantially conduct our operations through the Operating Partnership. The Operating Partnership owns, either directly or indirectly through other subsidiaries, all of our assets. This UPREIT structure enables us to comply with certain complex requirements under the Federal tax rules and regulations applicable to REITs, and to acquire manufactured housing communities in transactions that defer some or all of the sellers' tax consequences. The financial results of the Operating Partnership and our other subsidiaries are consolidated in our consolidated financial statements. The financial results include certain activities that do not necessarily qualify as REIT activities under the Internal Revenue Code of 1986, as amended, or the Code. We have formed taxable REIT subsidiaries, as defined in the Code, to engage in such activities. We use taxable REIT subsidiaries to offer certain services to our residents and engage in activities that would not otherwise be permitted under the REIT rules if provided directly by us or by the Operating Partnership. The taxable REIT subsidiaries include our home sales business, SHS, which provides manufactured home sales, leasing and other services to current and prospective tenants of the Properties.

We do not own all of the OP Units. As of September 10, 2012, the Operating Partnership had issued and outstanding 28,803,586 common OP Units, 1,325,275 preferred OP Units, 455,476 Series A-1 preferred OP Units, and 112,400 Series B-3 preferred OP Units. As of September 10, 2012, we held 26,733,864 common OP Units, or approximately 92.8% of the issued and outstanding common OP Units, and no preferred OP Units, Series A-1 preferred OP Units or Series B-3 preferred OP Units.

Subject to certain limitations, the holder of each common OP Unit at its option may convert such common OP Unit at any time into one share of our common stock. The holders of common OP Units receive distributions on the same dates and in amounts equal to the dividends paid to holders of our common stock.

Subject to certain limitations, at any time prior to January 1, 2024, the holder of each preferred OP Unit at its option may convert such preferred OP Unit into: (a) if the market price of our common stock is \$68.00 per share or less, 0.397 common OP Units, or (b) if the market price of our common stock is greater than \$68.00 per share, that number of common OP Units determined by dividing (i) the sum of (A) \$27.00 plus (B) 25% of the amount by which the market price of our common stock exceeds \$68.00 per share, by (ii) the per-share market price of our common stock. The holders of preferred OP Units generally receive distributions on the same dates as distributions are paid to holders of common OP Units. Each preferred OP Unit is entitled to receive distributions in an amount equal to the product of (x) \$27.00, multiplied by (y) an annual rate equal to the 10-year United States Treasury bond yield plus 239 basis points; provided, however, that the aggregate distribution rate shall not be less than 6.5% nor more than 9%. On January 2, 2024, we are required to redeem all preferred OP Units that have not been converted to common OP Units. In addition, we are required to redeem the preferred OP Units of any holder thereof within five days after receipt of a written demand during the existence of certain uncured preferred OP Unit defaults, including our failure to pay distributions on the preferred OP Units when due and our failure to provide certain security for the payment of distributions on the preferred OP Units. We may also redeem preferred OP Units from time to time if we and the holder thereof agree to do so.

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Subject to certain limitations, the holder of each Series A-1 preferred OP Unit at its option may exchange such Series A-1 preferred OP Unit at any time on or after December 31, 2013, into 2.439 shares of our common stock (which exchange rate is subject to adjustment upon stock splits, recapitalizations and similar events). The holders of Series A-1 preferred OP Units generally receive distributions on the same dates as distributions are paid to holders of common OP Units. Each Series A-1 preferred OP Unit is entitled to received distributions in an amount equal to the product of \$100.00 multiplied by an annual rate equal to 5.1% until June 23, 2013, and an annual rate equal to 6.0% thereafter.

Series B-3 preferred OP Units are not convertible. The holders of Series B-3 preferred OP Units generally receive distributions on the same dates as distributions are paid to holders of common OP Units. Each Series B-3 preferred OP Unit is entitled to received distributions in an amount equal to the product of \$100.00 multiplied by an annual rate equal to 8.0%. As of September 10, 2012, there were outstanding 36,700 Series B-3 preferred OP Units which were issued on December 1, 2002, 33,450 Series B-3 preferred OP Units which were issued on January 1, 2003, and 42,250 Series B-3 preferred OP Units which were issued on January 5, 2004. Subject to certain limitations, (x) during the 90-day period beginning on each of the tenth through fifteenth anniversaries of the issue date of the applicable Series B-3 preferred OP Units, (y) at any time after the fifteenth anniversary of the issue date of the applicable Series B-3 preferred OP Units, or (z) after our receipt of notice of the death of the electing holder of a Series B-3 preferred OP Unit, each holder of Series B-3 preferred OP Units may require us to redeem such holder's Series B-3 preferred OP Units at the redemption price of \$100.00 per unit. In addition, at any time after the fifteenth anniversary of the issue date of the applicable Series B-3 preferred OP Units we may redeem, at our option, all of the Series B-3 preferred OP Units of any holder thereof at the redemption price of \$100.00 per unit.

The Manufactured Housing Community

A manufactured housing community is a residential subdivision designed and improved with sites for the placement of manufactured homes and related improvements and amenities. Manufactured homes are detached, single-family homes which are produced off-site by manufacturers and installed on sites within the community. Manufactured homes are available in a wide array of designs, providing owners with a level of customization generally unavailable in other forms of multi-family housing.

Modern manufactured housing communities, such as the Properties, contain improvements similar to other garden-style residential developments, including centralized entrances, paved streets, curbs and gutters, and parkways. In addition, these communities also often provide a number of amenities, such as a clubhouse, a swimming pool, shuffleboard courts, tennis courts and laundry facilities.

The owner of each home on our Properties leases the site on which the home is located. We own the underlying land, utility connections, streets, lighting, driveways, common area amenities and other capital improvements and are responsible for enforcement of community guidelines and maintenance. Some of the Properties provide water and sewer service through public or private utilities, while others provide these services to residents from on-site facilities. Each owner of a home within our Properties is responsible for the maintenance of the home and leased site. As a result, capital expenditure needs tend to be less significant relative to multi-family rental apartment complexes.

Property Management

Our property management strategy emphasizes intensive, hands-on management by dedicated, on-site district and community managers. We believe that this on-site focus enables us to continually monitor and address tenant concerns, the performance of competitive properties and local market conditions. As of June 30,

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2012, we employed 819 full and part time employees, of which 676 were located on-site as property managers, support staff or maintenance personnel.

Our community managers are overseen by John B. McLaren, our Chief Operating Officer, who has over 15 years of manufactured housing and related financing experience, three Senior Vice Presidents of Operations and 15 Regional Vice Presidents. The Regional Vice Presidents are responsible for semi-annual market surveys of competitive communities, interaction with local manufactured home dealers and regular property inspections.

Each district or community manager performs regular inspections in order to continually monitor the Property's physical condition and provides managers with the opportunity to understand and effectively address tenant concerns. In addition to a district or community manager, each district or property has on-site maintenance personnel and management support staff. We hold mandatory training sessions for all new property management personnel to ensure that management policies and procedures are executed effectively and professionally. All of our property management personnel participate in on-going training to ensure that changes to management policies and procedures are implemented consistently. We offer over 275 courses for our team members through our internally developed Sun University, which has led to increased knowledge and accountability of daily operations and policies and procedures.

Home Sales and Leasing

SHS is engaged in the marketing, selling and leasing of new and pre-owned homes to current and future residents in our communities. Since tenants often purchase a home already on-site within a community, such services enhance occupancy and property performance. Additionally, because many of the homes on the Properties are sold through SHS, better control of home quality in our communities can be maintained than if sales services were conducted solely through third-party brokers. SHS also leases homes to prospective tenants. At June 30, 2012, SHS had 7,699 occupied leased homes in its portfolio. Homes for this rental program are purchased at discounted rates from finance companies that hold repossessed homes within our communities. New homes are purchased as necessary to supplement these repossessed home purchases. Leases associated with the rental program generally have a term of one year. This program requires intensive management of costs associated with repair and refurbishment of these homes as the tenants vacate and the homes are re-leased, similar to apartment rentals. We have added repair and service supervisors in areas with high concentrations of rental homes to aggressively pursue cost containment programs. The program is a strategic response to capture the value inherent in the purchase of substantially discounted repossessed homes in our communities. We receive approximately 23,000 applications each year to live in our Properties, providing a significant resident boarding system allowing us to market purchasing a home to the best applicants and to rent to the remainder of approved applicants. Through the rental program we are able to demonstrate our product and lifestyle to the renters, while monitoring their payment history and converting qualified renters to owners.

Regulations and Insurance

General

Manufactured housing community properties are subject to various laws, ordinances and regulations, including regulations relating to recreational facilities such as swimming pools, clubhouses and other common areas. We believe that each Property has the necessary operating permits and approvals.

Insurance

Our management believes that the Properties are covered by adequate fire, flood (where appropriate), property and business interruption insurance provided by reputable companies with commercially reasonable

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deductibles and limits. We maintain a blanket policy that covers all of our Properties. We have obtained title insurance insuring fee title to the Properties in an aggregate amount which we believe to be adequate. Claims made to our insurance carriers that are determined to be recoverable are classified in other receivables as incurred.

Site Leases or Usage Rights

The typical lease we enter into with a tenant for the rental of a manufactured home site is month-to-month or year-to-year, renewable upon the consent of both parties, or, in some instances, as provided by statute. A small number of our leases, mainly Florida properties, are tied to consumer price index or other indices as it relates to rent increase. Generally, market rate adjustments are made on an annual basis. These leases are cancelable for non-payment of rent, violation of community rules and regulations or other specified defaults. During the five calendar years ended December 31, 2011, on average 2.7% of the homes in our communities have been removed by their owners and 5.4% of the homes have been sold by their owners to a new owner who then assumes rental obligations as a community resident. The cost to move a home is approximately \$4,000 to \$10,000. The average resident remains in our communities for approximately 19 years, while the average home, which gives rise to the rental stream, remains in our communities for approximately 37 years.

At Properties zoned for RV use, our customers have short-term, or seasonal, usage rights or long-term, or permanent, usage rights. The seasonal RV customers typically prepay for their stay or leave deposits to reserve a site for the following year. Many of these RV customers do not live full-time on the Property.

Properties

As of June 30, 2012, the Properties consisted of 141 manufactured housing communities, 11 RV communities, and 10 Properties containing both manufactured housing and RV sites located in 18 states. As of June 30, 2012, the Properties contained an aggregate of 55,921 developed sites comprised of 47,939 developed manufactured home sites, 4,040 permanent RV sites, 3,942 seasonal RV sites, and approximately 6,450 additional manufactured home sites suitable for development. Most of the Properties include amenities oriented toward family and retirement living. Of the 141 Properties, 73 have more than 300 developed manufactured home sites, with the largest having 1,003 developed manufactured home sites.

As of June 30, 2012, the Properties had an occupancy rate of 86.8% excluding seasonal RV sites. Since January 1, 2012, the Properties have averaged an aggregate annual turnover of homes (where the home is moved out of the community) of approximately 2.4% and an average annual turnover of residents (where the resident-owned home is sold and remains within the community, typically without interruption of rental income) of approximately 5.4%. The average renewal rate for residents in our rental program was 50.1% for the six-months ended June 30, 2012.

We believe that our Properties' high amenity levels contribute to low turnover and generally high occupancy rates. All of the Properties provide residents with attractive amenities, with most offering a clubhouse, a swimming pool and laundry facilities. Many of the Properties offer additional amenities such as sauna/whirlpool spas, tennis, shuffleboard and basketball courts and/or exercise rooms.

We have concentrated our communities within certain geographic areas in order to achieve economies of scale in management and operation. The Properties are principally concentrated in the midwestern, southern and southeastern United States. We believe that geographic diversification helps to insulate the portfolio from regional economic influences.

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The following tables set forth certain information relating to the Properties owned as of June 30, 2012. The occupancy percentage includes manufactured home sites, or MH Sites, and permanent RV sites, or RV Sites, and excludes seasonal RV sites.

Property	City	State	MH and	Seasonal	Occupancy as of 6/30/12	Occupancy as of 12/31/11	Occupancy as of 12/31/10
			Permanent RV Sites as of 6/30/12	RV Sites as of 6/30/12			
MIDWEST							
Michigan							
Academy/West Pointe (1)	Canton	MI	441		90%	88%	88%
Allendale Meadows Mobile Village	Allendale	MI	352		79%	78%	74%
Alpine Meadows Mobile Village	Grand Rapids	MI	403		89%	87%	83%
Bedford Hills Mobile Village	Battle Creek	MI	339		73%	71%	73%
Brentwood Mobile Village	Kentwood	MI	195		97%	99%	98%
Byron Center Mobile Village	Byron Center	MI	143		92%	93%	92%
Candlewick Court	Owosso	MI	211		72%	73%	74%
College Park Estates	Canton	MI	230		78%	73%	70%
Continental Estates	Davison	MI	385		39%	40%	38%
Continental North	Davison	MI	474		53%	53%	54%
Country Acres Mobile Village	Cadillac	MI	182		91%	86%	84%
Country Meadows Mobile Village	Flat Rock	MI	577		94%	94%	91%
Countryside Village	Perry	MI	359		61%	58%	67%
Creekwood Meadows	Burton	MI	336		71%	65%	63%
Cutler Estates Mobile Village	Grand Rapids	MI	259		97%	98%	93%
Davison East	Davison	MI	190		42%	44%	45%
Falcon Pointe (2)	East Lansing	MI	142		13% ⁽²⁾	13% ⁽²⁾	15% ⁽²⁾
Fisherman s Cove	Flint	MI	162		91%	87%	87%
Grand Mobile Estates	Grand Rapids	MI	230		74%	75%	73%
Hamlin (3)	Webberville	MI	209		80% ⁽³⁾	75% ⁽³⁾	73% ⁽³⁾
Holly Village/Hawaiian Gardens (1)	Holly	MI	425		98%	98%	98%
Hunters Glen (2)	Wayland	MI	280		68% ⁽²⁾	63% ⁽²⁾	59% ⁽²⁾
Kensington Meadows	Lansing	MI	290		94%	90%	85%
Kings Court Mobile Village	Traverse City	MI	639		100%	100%	98%
Knollwood Estates	Allendale	MI	161		86%	82%	81%
Lafayette Place	Metro Detroit	MI	254		69%	66%	65%
Lakeview	Ypsilanti	MI	392		98%	97%	93%
Lincoln Estates	Holland	MI	191		92%	92%	85%
Meadow Lake Estates	White Lake	MI	425		88%	88%	84%
Meadowbrook Estates	Monroe	MI	453		92%	92%	92%
Presidential Estates Mobile Village	Hudsonville	MI	364		95%	90%	88%
Richmond Place	Metro Detroit	MI	117		84%	84%	83%
River Haven Village	Grand Haven	MI	721		60%	60%	57%
Scio Farms Estates	Ann Arbor	MI	913		95%	94%	93%
Sheffield Estates	Auburn Hills	MI	228		98%	98%	98%
Sherman Oaks	Jackson	MI	366		74%	74%	72%
St. Clair Place	Metro Detroit	MI	100		74%	75%	74%
Sunset Ridge (2)	Portland Township	MI	190		97% ⁽²⁾	96% ⁽²⁾	95% ⁽²⁾

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Property	City	State	MH and	Seasonal	Occupancy as of 6/30/12	Occupancy as of 12/31/11	Occupancy as of 12/31/10
			Permanent RV Sites as of 6/30/12	RV Sites as of 6/30/12			
Timberline Estates	Grand Rapids	MI	296		85%	83%	80%
Town & Country Mobile Village	Traverse City	MI	192		98%	98%	98%
Village Trails (3)	Howard City	MI	100		97% ⁽³⁾	97% ⁽³⁾	92% ⁽³⁾
White Lake Mobile Home Village	White Lake	MI	315		96%	96%	98%
White Oak Estates	Mt. Morris	MI	480		67%	66%	68%
Windham Hills Estates (3)	Jackson	MI	402		81% ⁽³⁾	77% ⁽³⁾	70% ⁽³⁾
Woodhaven Place	Metro Detroit	MI	220		98%	98%	95%
Apple Carr Village	Muskegon	MI	529		74%	72%	N/A
Holiday West Village	Holland	MI	341		96%	93%	N/A
Tamarac Village	Ludington	MI	400	9	99%	96%	N/A
Waverly Shores Village	Holland	MI	326		98%	97%	N/A
Hickory Hills Village	Battle Creek	MI	283		90%	84%	N/A
Oak Island Village	East Lansing	MI	250		92%	84%	N/A
Sycamore Village	Mason	MI	396		88%	85%	N/A
Brookside Village	Kentwood	MI	196		99%	95%	N/A
Cider Mill Village	Middleville	MI	258		74%	67%	N/A
Country Meadows Village	Caledonia	MI	307		83%	77%	N/A
Dutton Mill Village	Caledonia	MI	307		95%	91%	N/A
Pinebrook Village	Grand Rapids	MI	185		93%	91%	N/A
Southwood Village	Grand Rapids	MI	394		97%	94%	N/A
Country Hills Village	Hudsonville	MI	239		86%	74%	N/A
Leisure Village	Belmont	MI	237		99%	97%	N/A
Warren Dunes Village	Bridgman	MI	188		87%	77%	N/A
Windsor Woods Village	Wayland	MI	314		84%	78%	N/A
Hidden Ridge RV Resort	Hopkins	MI		276	N/A	19%	N/A
Cider Mill Crossings	Fenton	MI	262		35%	81%	N/A
Michigan Total			19,745	285	83%	81%	79%
MIDWEST							
Indiana							
Brookside Mobile Home Village	Goshen	IN	570		67%	66%	64%
Carrington Pointe (3)	Ft. Wayne	IN	320		78% ⁽³⁾	80% ⁽³⁾	79% ⁽³⁾
Clear Water Mobile Village	South Bend	IN	227		80%	77%	73%
Cobus Green Mobile Home Park	Elkhart	IN	386		65%	66%	64%
Deerfield Run (3)	Anderson	IN	175		65% ⁽³⁾	61% ⁽³⁾	64% ⁽³⁾
Four Seasons	Elkhart	IN	218		84%	82%	80%
Holiday Mobile Home Village	Elkhart	IN	326		72%	75%	75%
Liberty Farms	Valparaiso	IN	220		100%	98%	98%
Maplewood	Lawrence	IN	207		70%	69%	70%
Meadows	Nappanee	IN	330		51%	50%	51%
Pebble Creek (2) (4)	Greenwood	IN	257		97% ⁽²⁾	93% ⁽²⁾	89% ⁽²⁾
Pine Hills	Middlebury	IN	129		90%	91%	88%
Roxbury Park	Goshen	IN	398		85%	84%	85%
Timberbrook	Bristol	IN	567		54%	55%	56%
Valley Brook	Indianapolis	IN	798		54%	54%	53%
West Glen Village	Indianapolis	IN	552		74%	72%	71%
Woodlake Estates	Ft. Wayne	IN	338		54%	53%	50%
Woods Edge Mobile Village (3)	West Lafayette	IN	598		53% ⁽³⁾	52% ⁽³⁾	53% ⁽³⁾
Indiana Total			6,616		68%	67%	66%

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Property	City	State	MH and	Seasonal	Occupancy as of 6/30/12	Occupancy as of 12/31/11	Occupancy as of 12/31/10
			Permanent RV Sites as of 6/30/12	RV Sites as of 6/30/12			
Ohio							
Apple Creek Manufactured Home Community and Self Storage	Amelia	OH	176		98%	95%	100%
Byrne Hill Village	Toledo	OH	236		90%	91%	86%
Catalina	Middletown	OH	462		59%	59%	56%
East Fork (2) (4)	Batavia	OH	215		97% ⁽²⁾	97% ⁽²⁾	94% ⁽²⁾
Oakwood Village	Miamisburg	OH	511		94%	92%	89%
Orchard Lake	Milford	OH	147		100%	97%	96%
Westbrook Senior Village	Toledo	OH	112		96%	96%	98%
Westbrook Village	Toledo	OH	344		98%	96%	95%
Willowbrook Place	Toledo	OH	266		91%	91%	95%
Woodside Terrace	Holland	OH	439		80%	79%	82%
Worthington Arms	Lewis Center	OH	224		99%	98%	96%
Ohio Total			3,132		88%	87%	86%
SOUTH							
Texas							
Boulder Ridge (2)	Pflugerville	TX	526		99% ⁽²⁾	95% ⁽²⁾	79% ⁽²⁾
Branch Creek Estates	Austin	TX	392		100%	99%	100%
Casa del Valle	Alamo	TX	219	177	100% ⁽⁵⁾	100% ⁽⁵⁾	100% ⁽⁵⁾
Chisholm Point Estates	Pflugerville	TX	417		100%	99%	100%
Comal Farms (2) (4)	New Braunfels	TX	351		98% ⁽²⁾	99% ⁽²⁾	91% ⁽²⁾
Kenwood RV and Mobile Home Plaza	LaFeria	TX	86	194	100% ⁽⁵⁾	100% ⁽⁵⁾	100% ⁽⁵⁾
Oak Crest (2)	Austin	TX	335		100% ⁽²⁾	98% ⁽²⁾	88% ⁽²⁾
Pecan Branch (2)	Georgetown	TX	69		97% ⁽²⁾	91% ⁽²⁾	99% ⁽²⁾
Pine Trace (2)	Houston	TX	403		99% ⁽²⁾	98% ⁽²⁾	98% ⁽²⁾
River Ranch (2) (4)	Austin	TX	124		99% ⁽²⁾	98% ⁽²⁾	99% ⁽²⁾
River Ridge (2)	Austin	TX	515		88% ⁽²⁾	74% ⁽²⁾	99% ⁽²⁾
Saddle Brook (2)	Austin	TX	260		100% ⁽²⁾	98% ⁽²⁾	87% ⁽²⁾
Snow to Sun	Weslaco	TX	318	157	100% ⁽⁵⁾	100% ⁽⁵⁾	100% ⁽⁵⁾
Stonebridge (2) (4)	San Antonio	TX	335		98% ⁽²⁾	99% ⁽²⁾	98% ⁽²⁾
Summit Ridge (2) (4)	Converse	TX	249		100% ⁽²⁾	98% ⁽²⁾	98% ⁽²⁾
Sunset Ridge (2) (4)	Kyle	TX	170		100% ⁽²⁾	98% ⁽²⁾	100% ⁽²⁾
Woodlake Trails (2) (4)	San Antonio	TX	135		99% ⁽²⁾	98% ⁽²⁾	97% ⁽²⁾
Texas Total			4,904	528	98%	96%	95%
SOUTHEAST							
Florida							
Arbor Terrace RV Park	Bradenton	FL	166	229	98% ⁽⁵⁾	98% ⁽⁵⁾	99% ⁽⁵⁾
Ariana Village Mobile Home Park	Lakeland	FL	208		92%	92%	92%
Blueberry Hill	Bushnell	FL	25	380	100%	N/A	N/A
Buttonwood Bay	Sebring	FL	789	151	99% ⁽⁵⁾	99% ⁽⁵⁾	100% ⁽⁵⁾
Club Naples	Naples	FL	144	165	100%	N/A	N/A
Gold Coaster	Homestead	FL	451	94	98% ⁽⁵⁾	100% ⁽⁵⁾	100% ⁽⁵⁾
Grand Lakes	Citra	FL	47	352	100%	N/A	N/A

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Property	City	State	MH and	Seasonal	Occupancy as of 6/30/12	Occupancy as of 12/31/11	Occupancy as of 12/31/10
			Permanent RV Sites as of 6/30/12	RV Sites as of 6/30/12			
Groves RV Resort	Ft. Myers	FL	156	126	97% ⁽⁵⁾	99% ⁽⁵⁾	99% ⁽⁵⁾
Holly Forest Estates	Holly Hill	FL	402		99%	99%	100%
Indian Creek Park	Ft. Myers Beach	FL	1,338	108	98% ⁽⁵⁾	99% ⁽⁵⁾	99% ⁽⁵⁾
Island Lakes	Merritt Island	FL	301		100%	99%	100%
Kings Lake	Debary	FL	245		98%	96%	97%
Lake Juliana Landings	Auburndale	FL	274		98%	97%	98%
Lake San Marino RV Park	Naples	FL	195	214	96% ⁽⁵⁾	96% ⁽⁵⁾	98% ⁽⁵⁾
Meadowbrook Village	Tampa	FL	257		99%	100%	100%
Naple Gardens	Naples	FL	30	130	100%	N/A	N/A
North Lake	Moore Haven	FL	168	102	100%	N/A	N/A
Orange City RV Resort	Orange City	FL	186	339	100%	100%	N/A
Orange Tree Village	Orange City	FL	246		99%	100%	99%
Royal Country	Miami	FL	864		100%	100%	100%
Saddle Oak Club	Ocala	FL	376		99%	99%	99%
Siesta Bay RV Park	Ft. Myers Beach	FL	729	68	98% ⁽⁵⁾	98% ⁽⁵⁾	99% ⁽⁵⁾
Silver Star Mobile Village	Orlando	FL	406		98%	98%	99%
Tampa East	Tampa	FL	224	476	97% ⁽⁵⁾	97% ⁽⁵⁾	100% ⁽⁵⁾
Three Lakes	Hudson	FL	120	188	100%	N/A	N/A
Water Oak Country Club Estates	Lady Lake	FL	1,003		100%	100%	99%
Florida Total			9,350	3,122	99%	99%	99%
OTHER							
Autumn Ridge	Ankeny	IA	413		100%	100%	100%
Bell Crossing (3)	Clarksville	TN	239		74% ⁽³⁾	72% ⁽³⁾	64% ⁽³⁾
Candlelight Village	Chicago Heights	IL	309		97%	99%	94%
Cave Creek (2)	Evans	CO	289		96% ⁽²⁾	91% ⁽²⁾	76% ⁽²⁾
Countryside Atlanta (6)	Lawrenceville	GA	271		100% ⁽⁶⁾	100% ⁽⁶⁾	99% ⁽⁶⁾
Countryside Gwinnett	Buford	GA	331		97%	96%	94%
Countryside Lake Lanier	Buford	GA	548		86%	84%	83%
Creekside (2) (4)	Reidsville	NC	45		62% ⁽²⁾	64% ⁽²⁾	67% ⁽²⁾
Desert View Village (2)	West Wendover	NV	93		46% ⁽²⁾	47% ⁽²⁾	48% ⁽²⁾
Eagle Crest (2)	Firestone	CO	441		97% ⁽²⁾	94% ⁽²⁾	76% ⁽²⁾
Edwardsville	Edwardsville	KS	634		70%	69%	67%
Forest Meadows	Philomath	OR	75		100%	99%	100%
Glen Laurel (2) (4)	Concord	NC	260		74% ⁽²⁾	67% ⁽²⁾	61% ⁽²⁾
High Pointe	Frederica	DE	411		93%	93%	92%
Meadowbrook (2) (4)	Charlotte	NC	177		99% ⁽²⁾	99% ⁽²⁾	98% ⁽²⁾
North Point Estates (2)	Pueblo	CO	108		81% ⁽²⁾	76% ⁽²⁾	63% ⁽²⁾
Pheasant Ridge	Lancaster	PA	553		100%	100%	100%
Pin Oak Parc	O Fallon	MO	502		82%	82%	82%
Pine Ridge	Petersburg	VA	245		100%	98%	98%
Sea Air	Rehoboth Beach	DE	504	7	100% ⁽⁵⁾	100% ⁽⁵⁾	99% ⁽⁵⁾
Southfork	Belton	MO	477		61%	62%	65%
Sun Villa Estates	Reno	NV	324		99%	100%	99%
Timber Ridge	Ft. Collins	CO	585		99%	98%	95%
Woodland Park Estates	Eugene	OR	398		100%	100%	98%
Other Total			8,232	7	90%	89%	86%
TOTAL / AVERAGE			51,979	3,942	87%	85%	84%

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- (1) Properties have two licenses but operate as one community.
- (2) Occupancy in these Properties reflects the fact that these communities are newly developed from the ground up.
- (3) Occupancy in these Properties reflects the fact that these communities are in a lease-up phase following an expansion.
- (4) This Property is owned by an affiliate of Sunchamp LLC, a joint venture that owns 11 of our consolidated manufactured home communities, in which we own approximately a 79.5 percent equity interest as of June 30, 2012.
- (5) Occupancy percentage excludes seasonal RV sites. Percentage calculated by dividing revenue producing sites by developed sites. A revenue producing site is defined as a site that is occupied by a paying resident. A developed site is defined as an adequate sized parcel of land that has road and utility access which is zoned and licensed (if required) for use as a home site.
- (6) The number of developed sites and occupancy percentage at this Property includes sites that we believe will be covered under our comprehensive insurance coverage (subject to deductibles and certain limitations) for both property damage and business interruption from a flood that caused substantial damage to this Property.

Principal Executive Offices and Website

We were incorporated in Maryland on July 23, 1993 and went public in an initial public offering on December 9, 1993. Our executive and principal property management office is located at 27777 Franklin Road, Suite 200, Southfield, Michigan 48034 and our telephone number is (248) 208-2500. We have regional property management offices located in Austin, Texas; Dayton, Ohio; Grand Rapids, Michigan; Elkhart, Indiana; and Orlando, Florida. We maintain an Internet site at <http://www.suncommunities.com>, which contains information concerning us and our subsidiaries. Information included or referred to on, or otherwise accessible through, our website is not incorporated by reference or otherwise a part of this prospectus supplement.

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THE OFFERING

For a description of our common stock, see [Description of Common Stock](#) in the accompanying prospectus.

Common stock offered by us 3,000,000 shares of common stock (and up to an additional 450,000 shares of common stock, if the underwriters' option to purchase additional shares of common stock is exercised in full)

Common stock and OP Units outstanding prior to completion of the offering 26,733,864 shares of common stock, 2,069,722 common OP Units not held by us, 1,325,275 preferred OP Units, 455,476 Series A-1 preferred OP Units, and 112,400 Series B-3 preferred OP Units⁽¹⁾

Common stock and OP Units outstanding on a pro forma basis after completion of the offering 29,733,864 shares of common stock, 2,069,722 common OP Units not held by us, 1,325,275 preferred OP Units, 455,476 Series A-1 preferred OP Units, and 112,400 Series B-3 preferred OP Units⁽¹⁾

Use of proceeds We estimate that the net proceeds of this offering will be approximately \$ _____ million after deducting expenses related to this offering (and approximately \$ _____ million if the underwriters exercise their option to purchase additional shares of common stock in full). We intend to use:

up to \$78.0 million of the net proceeds of this offering to repay the entire outstanding amount under our senior secured revolving credit facility;

approximately \$35.0 million of the net proceeds to repay single mortgages secured by eight communities; and

any remaining net proceeds to fund possible future acquisitions of properties and for working capital and general corporate purposes.

Restrictions on ownership and transfer Our charter contains restrictions on ownership and transfer of shares of our capital stock intended to assist us in maintaining our qualification as a REIT for U.S. federal income tax purposes. For example, without the approval of our board of directors, our charter restricts any person from owning, or being deemed to own by virtue of the attribution provisions of the Code, more than 9.8%, in number of shares or value, of the issued and outstanding shares of our capital stock. See [Description of Common Stock](#) [Restrictions on Ownership](#) in the accompanying prospectus.

Risk factors You should carefully read the information contained under the caption [Risk Factors](#) in this prospectus supplement, the accompanying prospectus, our Annual Report on Form 10-K for the

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year ended December 31, 2011 and our other filings under the Securities Exchange Act of 1934, as amended, or the Exchange Act, that are incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding to invest in shares of our common stock.

NYSE symbol

SUI

- (1) Based on 26,733,864 shares of common stock, 2,069,722 common OP Units not held by us, 1,325,275 preferred OP Units, 455,476 Series A-1 preferred OP Units, and 112,400 Series B-3 preferred OP Units outstanding as of September 10, 2012, and excludes (a) 1,637,573 shares of common stock issuable upon exchange of OP Units, (b) 56,950 shares of common stock reserved for issuance upon the exercise of stock options outstanding, and (c) 693,000 of common stock reserved and available for future issuance under our equity incentive plans. Unless expressly stated otherwise, the information set forth above and throughout this prospectus supplement assumes no exercise of the underwriters' option to purchase up to 450,000 additional shares of common stock and excludes shares issuable pursuant to stock options outstanding and shares of common stock that may be issued in the future under our equity incentive plans.

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RISK FACTORS

Investment in the shares of our common stock offered pursuant to this prospectus supplement and the accompanying prospectus involves risks. In addition to the information presented in this prospectus supplement and the accompanying prospectus and the risk factors in our most recent Annual Report on Form 10-K and our other filings under the Exchange Act that are incorporated by reference in this prospectus supplement and the accompanying prospectus, you should consider carefully the following risk factors before deciding to purchase these shares. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of these risks actually occur, our business, financial condition and results of operations may suffer. In that event, the trading price of our common stock could decline, and you may lose all or part of your investment in our common stock.

This offering is expected to be dilutive, which may adversely affect the market price of our common stock.

Giving effect to the issuance of shares of common stock in this offering, the receipt of the expected net proceeds and the use of those proceeds, we expect that this offering will have a dilutive effect on our earnings per share and funds from operations per share for the year ending December 31, 2012. The actual amount of dilution cannot be determined at this time and will be based on numerous factors.

Future sales or issuances of our common stock may cause the market price of our common stock to decline.

The sale of substantial amounts of our common stock, whether directly by us or in the secondary market, the perception that such sales could occur or the availability of future issuances of shares of our common stock, OP Units or other securities convertible into or exchangeable or exercisable for our common stock, could materially and adversely affect the market price of our common stock and our ability to raise capital through future offerings of equity or equity-related securities. In addition, we may issue capital stock that is senior to our common stock in the future for a number of reasons, including to finance our operations and business strategy, to adjust our ratio of debt to equity or for other reasons.

In the event we are unable to obtain a waiver of the default under our \$36 Million Facility and we fail to pay down the \$36 Million Facility as required to cure the default, there will be an event of default under such facility which will result in a cross default of our \$130 million senior secured revolving facility.

In December 2011, we entered into a \$17.0 million variable financing agreement with Bank of America, N.A. and The Private Bank and Trust Company to fund the acquisition of certain Florida properties and, in March 2012, we entered into an amended and restated variable financing agreement with Bank of America, N.A. and The PrivateBank and Trust Company which added an additional \$19.0 million to the December 2011 variable financing agreement which we refer to herein as the \$36 Million Facility. As of June 30, 2012, we were not in compliance with the debt service coverage ratio contained in the \$36 Million Facility. In the event that we are unable to obtain a waiver of such covenant, we intend to comply with this covenant by voluntarily paying down a portion of the \$36 Million Facility in accordance with the loan agreement. If so, we will use our senior secured revolving credit facility to pay down the \$36 Million Facility to cure the default and avoid any Event of Default. In the event that we are unable to obtain a waiver of the default and we fail to pay down the \$36 Million Facility as required to cure the default, there will be an Event of Default under the \$36 Million Facility which will result in a cross default of our \$130 million senior secured revolving credit facility.

We may allocate the net proceeds from this offering in ways that you and other stockholders may not approve.

We intend to use up to \$78.0 million of the net proceeds from this offering to repay the entire outstanding amount under our senior secured revolving credit facility (including up to \$6.0 million if we draw that amount

from this facility to pay down the \$36 Million Facility), approximately \$35.0 million of the net proceeds to repay

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single mortgages secured by eight communities, and the remainder of the net proceeds to fund possible future acquisitions of properties and for working capital and general corporate purposes. Our management will have broad discretion in the application of certain of the net proceeds from this offering and could spend the proceeds in ways that do not necessarily improve our operating results or enhance the value of our common stock.

Our business operations may not generate the cash needed to make distributions on our capital stock or to service our indebtedness, and we may adjust our common stock dividend policy.

Our ability to make distributions on our common stock and payments on our indebtedness and to fund planned capital expenditures will depend on our ability to generate cash in the future. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to make distributions on our common stock, to pay our indebtedness or to fund our other liquidity needs.

The decision to declare and pay dividends on shares of our common stock in the future, as well as the timing, amount and composition of any such future dividends, will be at the sole discretion of our board of directors in light of conditions then existing, including our earnings, financial condition, capital requirements, debt maturities, the availability of debt and equity capital, applicable REIT and legal restrictions and the general overall economic conditions and other factors. Any change in our dividend policy could have a material adverse effect on the market price of our common stock.

Our share price could be volatile and could decline, resulting in a substantial or complete loss on our stockholders' investment.

The stock markets, including the New York Stock Exchange, on which we list our common stock, have experienced significant price and volume fluctuations. As a result, the market price of our common stock could be similarly volatile, and investors in our common stock may experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. The price of our common stock could be subject to wide fluctuations in response to a number of factors, including:

our operating performance and the performance of other similar companies;

our ability to maintain compliance with covenants contained in our debt facilities;

actual or anticipated variations in our operating results, funds from operations, cash flows or liquidity;

changes in our earnings estimates or those of analysts;

changes in our dividend policy;

publication of research reports about us or the real estate industry generally;

increases in market interest rates that lead purchasers of our common stock to demand a higher dividend yield;

changes in market valuations of similar companies;

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adverse market reaction to the amount of our debt outstanding at any time, the amount of our debt maturing in the near- and medium-term and our ability to refinance our debt, or our plans to incur additional debt in the future;

additions or departures of key management personnel;

speculation in the press or investment community;

actions by institutional stockholders;

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the realization of any of the other risk factors included or incorporated by reference in this prospectus supplement and the accompanying prospectus; and

general market and economic conditions.

Many of the factors listed above are beyond our control. Those factors may cause the market price of our common stock to decline significantly, regardless of our financial condition, results of operations and prospects. It is impossible to provide any assurance that the market price of our common stock will not fall in the future, and it may be difficult for holders to resell shares of our common stock at prices they find attractive, or at all. In the past, securities class action litigation has often been instituted against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management's attention and resources.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus, and the documents incorporated by reference herein and therein contain various forward-looking statements within the meaning of the Securities Act of 1933, as amended, or the Securities Act, and the Exchange Act, and we intend that such forward-looking statements will be subject to the safe harbors created thereby. For this purpose, any statements contained in this prospectus supplement, the accompanying prospectus, and the documents incorporated by reference herein and therein that relate to expectations, beliefs, projections, future plans and strategies, trends or prospective events or developments and similar expressions concerning matters that are not historical facts are deemed to be forward-looking statements. Words such as forecasts, intends, intend, intended, goal, estimate, estimates, expects, expect, expected, project, projected, projections, plans, predicts, potential, seeks, anticipa could, may, will, designed to, foreseeable future, believe, believes, scheduled and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. These forward-looking statements reflect our current views with respect to future events and financial performance, but involve known and unknown risks and uncertainties, both general and specific to the matters discussed in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein. These risks and uncertainties may cause our actual results to be materially different from any future results expressed or implied by such forward-looking statements. In addition to the risks disclosed under Risk Factors above, such risks and uncertainties include:

changes in general economic conditions, the real estate industry and the markets in which we operate;

difficulties in our ability to evaluate, finance, complete and integrate acquisitions and developments successfully;

our liquidity and refinancing demands;

our ability to obtain or refinance maturing debt;

our ability to maintain compliance with covenants contained in our debt facilities;

availability of capital;

difficulties in completing acquisitions;

our failure to maintain effective internal control over financial reporting and disclosure controls and procedures;

increases in interest rates and operating costs, including insurance premiums and real property taxes;

risks related to natural disasters;

general volatility of the capital markets and the market price of our shares of common stock;

our failure to maintain our status as a REIT;

changes in real estate and zoning laws and regulations;

legislative or regulatory changes, including changes to laws governing the taxation of REITs;

litigation, judgments or settlements;

our ability to maintain rental rates and occupancy levels;

competitive market forces;

the ability of manufactured home buyers to obtain financing;

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the level of repossessions by manufactured home lenders; and

those risks and uncertainties referenced under the headings entitled "Risk Factors" contained in our Annual Report on Form 10-K for the year ended December 31, 2011 filed with the Securities and Exchange Commission, or the SEC, and our other filings made from time to time with the SEC. See "Where You Can Find More Information" on page S-29 of this prospectus supplement.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statement was made. We undertake no obligation to publicly update or revise any forward-looking statements included or incorporated by reference into this prospectus supplement and the accompanying prospectus, whether as a result of new information, future events, changes in our expectations or otherwise.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. All written and oral forward-looking statements attributable to us or persons acting on our behalf are qualified in their entirety by these cautionary statements.

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USE OF PROCEEDS

We estimate that the net proceeds of this offering, after deducting estimated offering expenses payable by us, will be approximately \$ million. If the underwriters exercise their option to purchase 450,000 additional shares of our common stock in full, our net proceeds will be approximately \$ million.

We intend to use up to \$78.0 million of the net proceeds of this offering to repay the entire outstanding amount under our senior secured revolving credit facility. As of September 10, 2012, we had \$72.0 million outstanding under the credit facility. The credit facility bears interest at a floating rate based on Eurodollar plus a margin that is determined based on our leverage ratio calculated in accordance with the credit agreement, which can range from 2.25% to 2.95%. The current margin is 2.50% and the aggregate rate at September 10, 2012 was 2.73%. The credit facility's maturity date is October 1, 2014, subject to a one-year extension option under certain conditions. The proceeds of the credit facility were used to pay off our previous \$115.0 million revolving line of credit and for working capital and for other general corporate purposes. Citibank, N.A., an affiliate of one of the underwriters of this offering, has a participation percentage of approximately 11.5% as a lender under the credit facility.

We intend to use approximately \$35.0 million of the net proceeds to repay single mortgages secured by eight communities. These mortgages bear a weighted average interest rate of 2.71% and mature in the next twelve months. These notes can be paid down with no prepayment penalties.

In addition, we may use a portion of the net proceeds of this to fund possible future acquisitions of properties. We expect to use any remaining net proceeds of this offering for working capital and general corporate purposes.

Pending use of the remaining net proceeds of this offering, we intend to invest these net proceeds in short-term interest-bearing investment grade instruments.

Table of Contents**PRICE RANGE OF OUR COMMON STOCK AND DISTRIBUTIONS**

Our common stock has been listed on the New York Stock Exchange since December 9, 1993, and traded under the symbol SUI. The following table sets forth the high and low sales prices per share for the common stock for the periods indicated as reported by the New York Stock Exchange and the distributions per share paid by us with respect to each period:

Year Ending December 31, 2012	High	Low	Distributions
1st Quarter	\$ 43.90	35.06	\$ 0.63
2nd Quarter	\$ 44.68	39.15	\$ 0.63
3rd Quarter, through September 7, 2012	\$ 47.84	44.00	\$

Year Ended December 31, 2011	High	Low	Distributions
1st Quarter	\$ 35.73	\$ 31.85	\$ 0.63
2nd Quarter	40.21	35.01	0.63
3rd Quarter	40.00	30.49	0.63
4th Quarter	39.45	33.00	0.63

Year Ended December 31, 2010	High	Low	Distributions
1st Quarter	\$ 25.46	\$ 17.12	\$ 0.63
2nd Quarter	31.53	25.03	0.63
3rd Quarter	31.23	25.60	0.63
4th Quarter	35.11	30.49	0.63

The table above shows only historical information. This may not be meaningful information to you in determining whether to purchase shares of our common stock. You are urged to obtain current market quotations for our common stock and to review carefully the other information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus.

On September 7, 2012, the closing share price of our common stock on the New York Stock Exchange was \$45.95 per share, and, as of such date, there were 263 holders of record for the 26,732,446 issued and outstanding shares of common stock. As of September 10, 2012, the Operating Partnership had (i) 2,069,722 common OP Units issued and outstanding not held by us which were convertible into an equal number of shares of our common stock, and (ii) 1,325,275 preferred OP Units issued and outstanding which were exchangeable for 526,212 shares of our common stock, and (iii) 455,476 Series A-1 preferred OP Units issued and outstanding which were exchangeable for 1,111,361 shares of our common stock.

We have historically paid regular quarterly distributions to holders of our common stock and common OP Units. In addition, we are obligated to make distributions to holders of our preferred OP Units, Series A-1 preferred OP Units and Series B-3 preferred OP Units. See

Summary Structure of the Company. Our ability to make distributions on our common stock and payments on our indebtedness and to fund planned capital expenditures will depend on our ability to generate cash in the future. The decision to declare and pay dividends on shares of our common stock in the future, as well as the timing, amount and composition of any such future dividends, will be at the sole discretion of our board of directors in light of conditions then existing, including our earnings, financial condition, capital requirements, debt maturities, the availability of debt and equity capital, applicable REIT and legal restrictions and the general overall economic conditions and other factors.

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CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2012:

on an actual basis; and

on an as adjusted basis to give effect to:

- (i) the offering and sale of 3,000,000 shares of our common stock in this offering at an assumed offering price of \$45.90 per share (the last reported sale price of our common stock on the New York Stock Exchange on September 10, 2012), after deducting our estimated offering expenses;
- (ii) the acquisition of Northville Crossing and Blazing Star that occurred in July 2012;
- (iii) the