

SUN COMMUNITIES INC

Form 424B5

March 24, 2016

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**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered<sup>(1)</sup></b>	<b>Proposed Maximum Offering Price Per Unit</b>	<b>Proposed Maximum Aggregate Offering Price<sup>(1)</sup></b>	<b>Amount of Registration Fee<sup>(2)</sup></b>
Common Stock, \$0.01 par value per share <sup>(3)</sup>	6,037,500 shares	\$66.50	\$401,493,750	\$40,430.42

- (1) Assumes exercise in full of the underwriters' option to purchase up to 787,500 additional shares of common stock.
- (2) The registration fee has been calculated and is being paid in accordance with Rules 457(r) and 456(b) under the Securities Act of 1933, as amended.
- (3) Includes rights to purchase our Junior Participating preferred stock. Because no separate consideration is paid for these rights, they are not considered in the calculation of the maximum aggregate offering price and the registration fee.

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**Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-203498**

**PROSPECTUS SUPPLEMENT**

**(To Prospectus Dated April 17, 2015)**

**5,250,000 Shares**

**Common Stock**

We are selling 5,250,000 shares of our common stock, par value \$0.01 per share.

We have granted the underwriters an option to purchase within 30 days from the date of this prospectus supplement up to 787,500 additional shares of our common stock from us.

Our common stock is listed on the New York Stock Exchange, or NYSE, under the symbol SUI. The last reported sale price of our common stock on the NYSE on March 23, 2016 was \$67.00 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 10 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-6 of this prospectus supplement, page 3 of the accompanying prospectus and page 7 of our Annual Report on Form 10-K for the year ended December 31, 2015.**

**Neither the Securities and Exchange Commission, or SEC, 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.**

	<b>Per Share</b>	<b>Total</b>
Public Offering Price	\$ 66.50	\$ 349,125,000
Underwriting Discount	\$ 2.66	\$ 13,965,000
Proceeds to us (before expenses)	\$ 63.84	\$ 335,160,000

The underwriters expect to deliver the shares against payment in New York, New York on or about March 30, 2016 through the book-entry facilities of The Depository Trust Company.

*Joint Book-Running Managers*

**BofA Merrill Lynch**

**Citigroup**

**BMO Capital Markets**

**Baird**

**RBC Capital Markets**

*Co-Managers*

**Fifth Third Securities**

**PNC Capital Markets LLC**

**Ramirez & Co., Inc.**

**BTIG**

**Comerica Securities**

**March 23, 2016**

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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. We have not, and the underwriters have not, 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. We are not, and the underwriters are not, making an offer of these securities under any circumstance or in any jurisdiction where the offer is not permitted or is 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 direct and indirect 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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**PROSPECTUS SUPPLEMENT 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-6, in the accompanying prospectus beginning on page 3 and in our Annual Report on Form 10-K for the year ended December 31, 2015 beginning on page 7, 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-22 of this prospectus supplement.*

**About Sun Communities, Inc.**

We are a self-administered and self-managed real estate investment trust, or REIT. We own, operate, and develop manufactured housing, or MH, and recreational vehicle, or RV, 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, has been in the business of acquiring, operating, developing and expanding MH and RV communities since 1975. As of December 31, 2015, we owned and operated a portfolio of 231 properties, which we refer to as Properties, located in 29 states, including 185 MH communities, 36 RV communities, and 10 Properties containing both MH and RV sites. As of December 31, 2015, the Properties contained an aggregate of 88,612 developed sites comprised of 69,682 developed manufactured home sites, 9,559 annual RV sites (inclusive of both annual and seasonal usage rights and 9,371 transient RV sites, and approximately 7,181 additional 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 U.S. Federal tax rules and regulations applicable to REITs, and to acquire MH communities in transactions that defer some or all of the sellers' tax consequences. We are the sole general partner of, and, as of December 31, 2015, held approximately 95% 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.

**Recent Developments**

***Declaration of a Common Stock Distribution***

On March 8, 2016, we declared a cash distribution of \$0.65 per share on shares of our common stock for the quarter ending March 31, 2016. The distribution is payable on April 15, 2016 to common stockholders of record as of the

close of business on March 31, 2016.

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***Potential Acquisition***

On March 22, 2016, we entered into a Stock Purchase Agreement, which we refer to as the Purchase Agreement, with Carefree Communities Intermediate Holdings, L.L.C. The Purchase Agreement contemplates that we will acquire all of the issued and outstanding shares of common stock of Carefree Communities Inc., which we refer to as Carefree Communities. We refer to this transaction as the Acquisition. Subject to a net working capital adjustment at the closing, the aggregate purchase price for the Acquisition is approximately \$1.68 billion, including approximately \$1.655 billion for the purchase of 102 communities, \$9.0 million for the purchase of a community recently acquired by Carefree Communities and approximately \$16.0 million for the purchase of manufactured homes and park models. At the closing, we will (i) assume approximately \$1.0 billion of debt, (ii) issue the seller \$225.0 million in shares of our common stock, which we refer to as the Acquisition Securities, at an issuance price of \$67.57 per share, based on the trading 30-day volume weighted average price of our common stock as of the close of business on March 21, 2016, and (iii) pay the balance of the purchase price in cash. In connection with the acquisition, we have obtained transaction insurance under which we will have \$75.0 million of coverage for any breaches by the seller of its representations and warranties under the Purchase Agreement.

At the closing, we and the seller will enter into a registration rights agreement under which we will grant customary registration rights with respect to the Acquisition Securities. Under the terms of the registration rights agreement, within 30 days after the closing, we will use our best efforts to prepare and file a prospectus supplement under our existing shelf registration statement for the resale of the Acquisition Securities. Under a lock-up agreement, the transfer of the Acquisition Securities will be restricted for up to 30 days after the closing of the Acquisition. At the closing, certain executive officers of Carefree Communities will enter into non-competition agreements that will expire nine months after the closing, but not later than March 9, 2017.

Carefree Communities directly or indirectly owns 103 MH and RV communities, comprising 9,829 developed manufactured home sites and 17,725 RV sites and approximately 396 additional manufactured home sites and approximately 2,586 additional RV sites suitable for development. These communities, which we collectively refer to as the Carefree Properties, are concentrated in California, Florida and Ontario, Canada.

Excluding the acquisition of two communities in the first quarter of 2016 for an aggregate purchase price of \$37.8 million, and assuming we do not acquire or dispose of any other MH or RV communities prior to the closing of the Acquisition and that we acquire all the communities in the Acquisition, if the Acquisition is consummated we will own an aggregate of 116,166 developed sites comprised of 79,511 developed manufactured home sites, 20,162 annual RV sites (inclusive of both annual and seasonal usage rights) and 16,493 transient RV sites, and approximately 10,163 additional manufactured home and RV sites suitable for development.

We anticipate that the closing of the Acquisition will occur no later than July 9, 2016. The consummation of the Acquisition is subject to customary closing conditions. As a result, there can be no assurances as to the actual closing or the timing of the closing.

**Principal Executive Offices and Website**

We were incorporated in Maryland on July 23, 1993 and completed the initial public offering of our common stock 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; San Antonio, Texas; Dayton, Ohio; Grand Rapids, Michigan; Elkhart, Indiana; Indianapolis, Indiana; Traverse City, Michigan; Charlotte, North Carolina; Denver, Colorado; Ft. Myers, Florida; and Orlando, Florida; and we employed an aggregate of 1,790 full and part time employees (including



seasonal employees) as of December 31, 2015.

Our website address is [www.suncommunities.com](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 or the accompanying prospectus.

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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	5,250,000 of shares of common stock (and up to an additional 787,500 shares of common stock, if the underwriters' option to purchase additional shares of common stock is exercised in full)
Equity securities outstanding prior to completion of the offering <sup>(1)</sup>	58,538,863 shares of common stock;
	3,400,000 shares of 7.125% Series A Cumulative Redeemable Preferred Stock, or Series A Preferred Stock;
	2,067,091 shares of 6.50% Series A-4 Cumulative Convertible Preferred Stock, or Series A-4 Preferred Stock;
	2,862,969 common OP Units not held by us;
	1,283,819 preferred OP Units, or Aspen preferred OP Units;
	386,683 Series A-1 preferred OP Units;
	40,268 Series A-3 preferred OP Units;
	754,035 Series A-4 preferred OP Units;
	112,400 Series B-3 preferred OP Units; and
	340,206 Series C preferred OP Units.
Equity securities outstanding on a pro forma basis after completion of the offering <sup>(1)</sup>	63,788,863 shares of common stock;
	3,400,000 shares of Series A Preferred Stock;

2,067,091 shares of Series A-4 Preferred Stock;

2,862,969 common OP Units not held by us;

1,283,819 Aspen preferred OP Units;

386,683 Series A-1 preferred OP Units;

40,268 Series A-3 preferred OP Units;

754,035 Series A-4 preferred OP Units;

112,400 Series B-3 preferred OP Units; and

340,206 Series C preferred OP Units.

Use of proceeds

We estimate that the net proceeds of this offering will be approximately \$335.1 million after deducting underwriting discounts and commissions and estimated offering expenses of approximately \$100,000 (or, if the underwriters exercise their option to purchase 787,500 additional shares of common stock in full, approximately \$385.3 million, after deducting underwriting discounts and commissions and estimated offering expenses of approximately \$100,000).

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We intend to use the net proceeds of this offering to fund a portion of the purchase price for the Acquisition.

If for any reason the Acquisition is not consummated, we intend to use the net proceeds from the offering to repay borrowings outstanding under the revolving loan under our senior credit facility, fund possible future acquisitions of properties and for working capital and general corporate purposes. See **Use of Proceeds** on page S-12 of this prospectus supplement.

### 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 Internal Revenue Code of 1986, as amended, 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 year ended December 31, 2015 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 equity securities outstanding as of March 21, 2016. Excludes (a) 2,862,969 shares of common stock issuable upon exchange of OP Units, (b) 21,500 shares of common stock reserved for issuance upon the exercise of stock options outstanding, and (c) 1,657,474 shares of common stock reserved and available for future issuance under our equity incentive plans, in each case as of March 21, 2016. In addition, excludes the Acquisition Securities.

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 787,500 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.*

***We may not close the Acquisition and the closing of this offering is not conditioned on the Acquisition closing.***

We expect to close the Acquisition no later than July 9, 2016. However, the closing is subject to the satisfaction of the closing conditions set forth in the Purchase Agreement, including obtaining certain third party consents. If these conditions are not satisfied or waived, or if the Purchase Agreement is otherwise terminated in accordance with its terms, then the Acquisition will not be consummated. The closing of this offering is not conditioned on closing the Acquisition. Therefore, upon the closing of this offering, you will become a holder of our common stock irrespective of whether the Acquisition is consummated, delayed, restructured or terminated. If we do not consummate the Acquisition, our common stock that you have purchased in this offering will not reflect any interest in the Carefree Properties; if the closing is delayed, this interest will not be reflected during the period of delay; and if the Acquisition is restructured, it is uncertain as to whether this interest will be adversely affected. In addition, the price of our common stock may decline to the extent that the current market price of our common stock reflects a market assumption that the Carefree Properties will be acquired and that we will realize certain anticipated benefits of acquiring the Carefree Properties.

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

We intend to use the net proceeds from this offering to fund a portion of the purchase price for the Acquisition. If the Acquisition is not consummated, we intend to use the net proceeds from this offering to repay borrowings outstanding under our senior credit facility, fund possible future acquisitions of properties and for working capital and general corporate purposes. If the Acquisition is not consummated, our management will have broad discretion in the application of certain of the net proceeds from this offering and could apply the proceeds in ways that do not necessarily improve our operating results or enhance the value of our common stock.

***The intended benefits of the Acquisition may not be realized.***

The Acquisition poses risks for our ongoing operations, including, among others:

that senior management's attention may be diverted from the management of daily operations to the integration of the properties acquired in the Acquisition;

costs and expenses associated with any undisclosed or potential liabilities;

that the properties acquired in the Acquisition may not perform as well as anticipated; and

that unforeseen difficulties may arise in integrating the properties acquired in the Acquisition into our portfolio.

As a result of the foregoing, we cannot assure you that the Acquisition will be accretive to us in the near term or at all. Furthermore, if we fail to realize the intended benefits of the properties acquired in the Acquisition, the market price of our common stock could decline to the extent that the market price reflects those benefits.

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***We will assume a significant amount of debt in the Acquisition, which, together with our other debt, could limit our operational flexibility or otherwise adversely affect our financial condition.***

If the Acquisition closes, we will assume approximately \$1.0 billion of debt relating to the Carefree Communities, substantially all of which will come due within eight months of the closing (assuming extension options are not exercised). In addition, as of December 31, 2015, we had approximately \$2.3 billion of total debt outstanding, consisting of approximately \$2.2 billion in debt that is collateralized by mortgage liens on 160 of the Properties, \$140.4 million that is secured by collateralized receivables, and \$45.9 million that is unsecured debt. As of December 31, 2015, we had \$25.0 million outstanding on our senior revolving credit facility. If we fail to meet our obligations under our secured debt, including any debt we assume in the Acquisition, the lenders would be entitled to foreclose on all or some of the collateral securing such debt which could have a material adverse effect on us and our ability to make expected distributions, and could threaten our continued viability.

We are subject to the risks normally associated with debt financing, including the following risks:

our cash flow may be insufficient to meet required payments of principal and interest, or require us to dedicate a substantial portion of our cash flow to pay our debt and the interest associated with our debt rather than to other areas of our business;

our existing indebtedness may limit our operating flexibility due to financial and other restrictive covenants, including restrictions on incurring additional debt;

it may be more difficult for us to obtain additional financing in the future for our operations, working capital requirements, capital expenditures, debt service or other general requirements;

we may be more vulnerable in the event of adverse economic and industry conditions or a downturn in our business;

we may be placed at a competitive disadvantage compared to our competitors that have less debt; and

we may not be able to refinance at all or on favorable terms, as our debt matures.

If any of the above risks occurred, our financial condition and results of operations could be materially adversely affected.

***This offering and the issuance of the Acquisition Securities 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 and the issuance of the Acquisition Securities will have a dilutive effect on our earnings per share and funds from operations per share for the year ending December 31, 2016. 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, including the Acquisition Securities to be issued in connection with the Acquisition, or other securities may cause the market price of our common stock to decline.***

The sale and/or issuance of substantial amounts of our common stock, including the Acquisition Securities to be issued in connection with the Acquisition, 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 capital 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.

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***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 distribution 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 distributions on shares of our common stock in the future, as well as the timing, amount and composition of any such future distributions, 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 general overall economic conditions and other factors. Any change in our distribution 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 your investment.***

The stock markets, including the NYSE, 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 expectations of future financial performance or changes in our earnings estimates or those of analysts;

changes in our distribution policy;

the market for similar securities;

issuances of other equity securities in the future, including series or classes of preferred stock and the Acquisition Securities to be issued in connection with the Acquisition;

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;

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;

equity issuances by us, or share resales by our stockholders, or the perception that such issuances or resales may occur;

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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, economic and political 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, predicts, potential, seeks, anticipates, anticipated, should, could, may, will, designed to, foresee, believes, scheduled, guidance 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 described under Risk Factors above and in our Annual Report on Form 10-K for the year ended December 31, 2015, and other filings we make with the SEC from time to time, 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 (including the Acquisition), developments and expansions 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;

our ability to maintain rental rates and occupancy levels;

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 shares of our capital 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;

competitive market forces;

the ability of manufactured home buyers to obtain financing; and

the level of repossessions by manufactured home lenders.

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

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statements included or incorporated by reference into this prospectus supplement, the accompanying prospectus, and the documents incorporated by reference herein and therein, whether as a result of new information, future events, changes in our expectations or otherwise, except as required by law.

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 expect that the net proceeds of this offering will be approximately \$335.1 million, after deducting underwriting discounts and commissions and estimated offering expenses payable by us of approximately \$100,000 (or, if the underwriters exercise their option to purchase 787,500 additional shares of our common stock in full, approximately \$385.3 million after deducting underwriting discounts and commissions and estimated offering expenses payable by us of approximately \$100,000).

We intend to use the net proceeds of this offering to fund a portion of the purchase price for the Acquisition. The aggregate purchase price for the Acquisition is approximately \$1.68 billion, including the assumption of up to approximately \$1.0 billion of debt and the issuance of \$225.0 million in shares of our common stock to the seller. We intend to fund the remainder of the cash portion of the purchase price for the Acquisition from our senior credit facility. See Summary Recent Developments Potential Acquisition.

If for any reason the Acquisition is not consummated, we intend to use the net proceeds of this offering to repay borrowings outstanding under the \$392.0 million revolving loan under our senior credit facility, fund possible future acquisitions of properties and for working capital and general corporate purposes. As of March 22, 2016, we had no outstanding indebtedness under the revolving loan. The revolving loan has a term ending August 19, 2019, which can be extended for two additional six-month periods, subject to the satisfaction of certain conditions. The credit facility also contains an accordion feature that allows for additional commitments of up to \$300.0 million under the revolving loan, subject to the satisfaction of certain conditions, including obtaining additional commitments from one or more lenders. Indebtedness under the revolving loan bears interest at a floating rate based on the Eurodollar rate plus a margin that is determined based on our leverage ratio calculated in accordance with the credit agreement, which can range from 1.40% to 2.25%. As of March 22, 2016, the margin was 1.45%. The proceeds of the credit facility were used to pay off our previous senior credit facility and for working capital and for other general corporate purposes. Bank of America, N.A., an affiliate of one of the underwriters of this offering, has a participation percentage of approximately 16% as a lender under the revolving loan. Citibank, N.A., an affiliate of one of the underwriters of this offering, has a participation percentage of approximately 16% as a lender under the revolving loan. Bank of Montreal, an affiliate of one of the underwriters of this offering, has a participation percentage of approximately 16% as a lender under the revolving loan. Royal Bank of Canada, an affiliate of one of the underwriters of this offering, has a participation percentage of approximately 7% as a lender under the revolving loan. Fifth Third Bank, an Ohio banking corporation, an affiliate of one of the underwriters of this offering, has a participation percentage of approximately 9% as a lender under the revolving loan. PNC Bank, National Association, an affiliate of one of the underwriters of this offering, has a participation percentage of approximately 7% as a lender under the revolving loan. Comerica Bank, an affiliate of one of the underwriters of this offering, has a participation percentage of approximately 4% as a lender under the revolving loan.

Pending the uses described above, we may invest these net proceeds in short-term interest-bearing investment grade instruments.



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The following table sets forth our capitalization as of December 31, 2015:

- (a) on an actual basis;
- (b) on an as adjusted basis to give effect to the Acquisition; and
- (c) as further adjusted to give effect to the offering and sale of 5,250,000 shares of our common stock in this offering at the public offering price of \$66.50 per share, after deducting the underwriting discounts and commissions and our estimated offering expenses, and the application of the net proceeds of this offering as described under Use of Proceeds.

The following table does not reflect (i) borrowings and repayments under our debt facilities from January 1, 2016 through the date hereof, (ii) our acquisition of two communities in the first quarter of 2016 for an aggregate purchase price of \$37.8 million, or (iii) the issuance of 146,800 shares of our common stock to employees and non-employee directors under our equity incentive plans from January 1, 2016 through the date hereof.

The information set forth below should be read in conjunction with our consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2015, as updated by our subsequent filings under the Exchange Act incorporated by reference into this prospectus supplement and the accompanying prospectus.

(Dollars in thousands)	Actual	As of December 31, 2015	
		As adjusted (Acquisition)	As further adjusted (Offering)
Cash and cash equivalents	\$ 45,086	\$ 5,000	\$ 57,146
Other assets, net	221,782	95,782	95,782
<b>DEBT:</b>			
Debt <sup>(1)</sup>	\$ 2,320,049	\$ 3,326,049	\$ 3,326,049
Lines of credit	25,000	307,914	25,000
Other liabilities	184,859	184,859	184,859
Series A-4 preferred stock, \$0.01 par value per share (liquidation preference \$25.00 per share), 2,067,091 shares issued and outstanding at December 31, 2015	61,732	61,732	61,732
Series A-4 preferred OP units	21,065	21,065	21,065
<b>EQUITY:</b>			
Series A preferred stock, \$0.01 par value per share (liquidation preference \$25.00 per share), 3,400,000 shares issued and outstanding at December 31, 2015	\$ 34	\$ 34	\$ 34
Common stock, \$0.01 par value, 180,000,000 shares authorized, 58,395,278 shares issued and outstanding at December 31, 2015, 61,725,158 shares issued and	584	617	670

outstanding as adjusted to give effect to the Acquisition, 66,975,158 shares issued and outstanding as further adjusted to give effect to this offering <sup>(2)(3)</sup>			
Additional paid-in capital	2,319,314	2,544,281	2,879,289
Distributions in excess of accumulated earnings	(864,122)	(864,122)	(864,122)
Total Sun Communities, Inc. stockholders' equity	1,455,810	1,680,810	2,015,871
Noncontrolling interests:			
Common and preferred OP Units	82,538	82,538	82,538
Consolidated variable interest entities	(1,767)	(1,767)	(1,767)
<b>TOTAL CAPITALIZATION</b>	<b>\$ 4,149,286</b>	<b>\$ 5,663,200</b>	<b>\$ 5,715,347</b>