



Sun Communities, Inc. Reports 2018 Second Quarter Results

July 25, 2018

Expands Portfolio and Raises 2018 Guidance



NEWS RELEASE

July 25, 2018

Southfield, Michigan, July 25, 2018 - Sun Communities, Inc. (NYSE: SUI) (the "Company"), a real estate investment trust ("REIT") that owns and operates, or has an interest in, manufactured housing ("MH") and recreational vehicle ("RV") communities, today reported its second quarter results for 2018.

Financial Results for the Quarter and Six Months Ended June 30, 2018

For the quarter ended June 30, 2018, total revenues increased \$33.5 million, or 14.1 percent, to \$271.4 million compared to \$237.9 million for the same period in 2017. Net income attributable to common stockholders was \$20.4 million, or \$0.25 per diluted common share, for the quarter ended June 30, 2018, as compared to net income attributable to common stockholders of \$12.4 million, or \$0.16 net income per diluted common share, for the same period in 2017.

For the six months ended June 30, 2018, total revenues increased \$57.0 million, or 12.1 percent, to \$529.3 million compared to \$472.3 million for the same period in 2017. Net income attributable to common stockholders was \$50.4 million, or \$0.63 per diluted common share, as compared to net income attributable to common stockholders of \$33.5 million, or \$0.45 net income per diluted common share, for the same period in 2017.

Non-GAAP Financial Measures and Portfolio Performance

- **Core Funds from Operations ("Core FFO")⁽¹⁾** for the quarter ended June 30, 2018, was \$1.07 per diluted share and OP unit ("Share") as compared to \$0.96 in the prior year, an increase of 11.5 percent.
- **Same Community⁽³⁾ Net Operating Income ("NOI")⁽¹⁾** increased by 7.2 percent for the quarter ended June 30, 2018, as compared to the same period in 2017.
- **Same Community occupancy⁽⁴⁾** increased by 200 basis points to 97.8 percent, as compared to 95.8 percent at June 30, 2017.
- **Home sales volumes** increased 17.7 percent for the quarter ended June 30, 2018, as compared to the same period in 2017. New home sales volumes increased 65.4 percent to 134 for the quarter ended June 30, 2018, as compared to 81 in the same period in 2017.

Gary Shiffman, Chief Executive Officer of Sun Communities commented, "Sun continued to produce solid investor returns in the second quarter and deliver value creation across our MH communities and RV resorts. Core FFO rose 11.5 percent driven by significant contributions from our same community pool as well as our acquisition activity. We invested in properties valued at over \$334 million including 17 operating resorts, one resort under development and one land parcel entitled for future development. As a consequence of our strong performance and the accretion from our recent acquisition activity, we are raising our 2018 Core FFO guidance."

OPERATING HIGHLIGHTS

Community Occupancy

Total portfolio occupancy was 96.1 percent at June 30, 2018 and June 30, 2017. During the quarter ended June 30, 2018, revenue producing sites increased by 634 sites, as compared to 752 revenue producing sites gained during the second quarter of 2017.

During the six months ended June 30, 2018, revenue producing sites increased by 1,250 sites, as compared to an increase of 1,439 revenue producing sites during the six months ended June 30, 2017.

Same Community⁽³⁾ Results

For the 336 stabilized communities owned and operated by the Company since January 1, 2017, NOI⁽¹⁾ for the quarter ended June 30, 2018 increased 7.2 percent over the same period in 2017, as a result of a 6.3 percent increase in revenues and a 4.6 percent increase in operating expenses. Same Community occupancy⁽⁴⁾ increased to 97.8 percent at June 30, 2018 from 95.8 percent at June 30, 2017.

For the six months ended June 30, 2018, total revenues increased by 6.0 percent while total expenses increased by 5.6 percent, resulting in an

increase to NOI⁽¹⁾ of 6.2 percent over the six months ended June 30, 2017.

Home Sales

During the quarter ended June 30, 2018, the Company sold 943 homes as compared to 801 homes sold during the same period in 2017, a 17.7 percent increase. Rental home sales, which are included in total home sales, were 275 and 302 for the quarters ended June 30, 2018 and 2017, respectively.

During the six months ended June 30, 2018, 1,780 homes were sold compared to 1,627 for the same period in 2017. Rental sales, which are included in total home sales, were 509 and 542 for the six months ended June 30, 2018 and 2017, respectively.

PORTFOLIO ACTIVITY

Acquisitions⁽²⁾

During and subsequent to the quarter ended June 30, 2018, the Company invested in 17 RV resorts, an RV development currently under construction and one entitled development land parcel with a total value of \$334 million. The investments include:

- An 80 percent equity interest in Sun NG RV Resorts LLC ("Sun NG Resorts"), consisting of ten operating RV resorts and one ground-up RV development currently under construction. The portfolio consists of 2,700 developed sites and 940 sites available for development. Sun Communities purchased the 80 percent interest in Sun NG Resorts for \$61.6 million through Sun NG LLC. Sun paid additional consideration of \$123.3 million consisting of a \$1.8 million preferred equity investment and a \$121.5 million temporary loan to Sun NG Resorts. The Company is in active negotiations to replace the temporary loan with permanent entity level financing. The remaining 20 percent ownership interest in Sun NG Resorts of \$15.4 million is held by NG Sun LLC, which is controlled by Northgate Resorts. Other components of the capital structure for the transaction include:
 - \$35.3 million Series A preferred equity - mandatorily redeemable
 - \$6.5 million Series B preferred equity
 - \$15.0 million Assumed debt and other liabilities
- \$72.1 million investment in seven RV resorts located in five states, comprised of approximately 1,500 sites and 175 sites available for expansions.
- \$5.3 million investment in a 369 acre land parcel in Granby, Colorado for development of a resort containing over 1,100 MH and RV sites.

BALANCE SHEET AND CAPITAL MARKETS ACTIVITY

Debt Transactions

During the quarter ended June 30, 2018, the Company repaid three collateralized term loans totaling \$177.7 million with a weighted average interest rate of 4.53 percent. One loan was due to mature in August 2018 and two loans were due to mature in May 2023.

As of June 30, 2018, the Company had \$3.4 billion of debt outstanding. The weighted average interest rate was 4.36 percent and the weighted average maturity was 7.8 years. The Company had \$20.0 million of unrestricted cash on hand. At period-end the Company's net debt to trailing twelve month Recurring EBITDA⁽¹⁾ ratio was 6.5 times.

Subsequent to quarter end, the Company entered into a \$228.0 million mortgage with a 4.10 percent fixed rate and a 20 year term.

Equity Transactions

During and subsequent to the quarter ended June 30, 2018, the Company issued 1,201,700 shares of common stock through its At-the-Market ("ATM") equity sales program at a weighted average price of \$93.78 per share. Net proceeds from the sales were \$111.3 million. This issuance includes 200,000 shares which were previously announced in conjunction with first quarter 2018 earnings.

GUIDANCE 2018

The Company is increasing its 2018 total portfolio guidance to take into account the contribution impact of the closed acquisitions, completed ATM share issuances and financings and anticipated additional financing related to the acquisitions. The updated guidance is as follows:

Total Portfolio

Number of communities: 367

| | <u>Q3 2018E</u> | <u>Q4 2018E</u> | <u>FY 2018E</u> |
|---|-----------------|-----------------|-----------------|
| Net Income per fully diluted share | \$0.52 - \$0.56 | \$0.18 - \$0.22 | \$1.33 - \$1.41 |
| Core FFO ⁽¹⁾ per fully diluted share | \$1.34 - \$1.37 | \$1.02 - \$1.05 | \$4.57 - \$4.63 |

The Company's announced acquisitions have significant seasonality and contribute the vast majority of their annual NOI⁽¹⁾ contribution in the second and third quarters of the year. Due to this seasonality, Core FFO⁽¹⁾ guidance has been increased in the third quarter 2018 and decreased in the fourth quarter 2018. Core FFO⁽¹⁾ contribution from these acquisitions in the first and second quarters of 2019 is expected to be neutral.

The Company affirms 2018 Same Community NOI⁽¹⁾ growth guidance for the year of 6.75 percent to 7.25 percent and raises the estimated range of general and administrative expenses to \$79.8 million to \$81.0 million. The increase in general and administrative costs is primarily due to changes to

the Company's executive long term incentive plan which increased amortization in the current year, the staffing of a re-engineering and productivity team, and certain one-time non-recurring expenses incurred through the first half of 2018. Guidance does not include prospective acquisitions but contains certain additional financing assumptions related to its announced acquisition activity.

Core FFO⁽¹⁾ per Share estimates assume certain gain and loss items that management considers unrelated to the operational and financial performance of our core business will be adjusted from FFO⁽¹⁾. The estimates and assumptions presented above represent a range of possible outcomes and may differ materially from actual results. The estimates and assumptions are forward looking based on the Company's current assessment of economic and market conditions, as well as other risks outlined below under the caption "Forward-Looking Statements."

EARNINGS CONFERENCE CALL

A conference call to discuss second quarter operating results will be held on Thursday, July 26, 2018 at 11:00 A.M. (ET). To participate, call toll-free 877-407-9039. Callers outside the U.S. or Canada can access the call at 201-689-8470. A replay will be available following the call through August 9, 2018 and can be accessed toll-free by calling 844-512-2921 or 412-317-6671. The Conference ID number for the call and the replay is 13680133. The conference call will be available live on Sun Communities' website www.suncommunities.com. Replay will also be available on the website.

Sun Communities, Inc. is a REIT that, as of June 30, 2018, owned, operated, or had an interest in a portfolio of 367 communities comprising approximately 126,000 developed sites in 31 states and Ontario, Canada.

For more information about Sun Communities, Inc., please visit www.suncommunities.com.

CONTACT

Please address all inquiries to our investor relations department at our website www.suncommunities.com, by phone to (248) 208-2500, by email to investorrelations@suncommunities.com or by mail to Sun Communities, Inc. Attn: Investor Relations, 27777 Franklin Road, Ste. 200, Southfield, MI 48034.

Forward-Looking Statements

This press release contains various "forward-looking statements" within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and the Company intends that such forward-looking statements will be subject to the safe harbors created thereby. Forward-looking statements can be identified by words such as "will," "may," "could," "expect," "anticipate," "believes," "intends," "should," "plans," "estimates," "approximate," "guidance," and similar expressions in this press release that predict or indicate future events and trends and that do not report historical matters.

These forward-looking statements reflect the Company's current views with respect to future events and financial performance, but involve known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control. These risks, uncertainties, and other factors may cause the actual results of the Company to be materially different from any future results expressed or implied by such forward-looking statements. Such risks and uncertainties include national, regional and local economic climates, the ability to maintain rental rates and occupancy levels, competitive market forces, the performance of recent acquisitions, the ability to integrate future acquisitions smoothly and efficiently, changes in market rates of interest, changes in foreign currency exchange rates, the ability of manufactured home buyers to obtain financing and the level of repossessions by manufactured home lenders. Further details of potential risks that may affect the Company are described in its periodic reports filed with the U.S. Securities and Exchange Commission, including in the "Risk Factors" section of the Company's Annual Report on Form 10-K.

The forward-looking statements contained in this press release speak only as of the date hereof and the Company expressly disclaims any obligation to provide public updates, revisions or amendments to any forward-looking statements made herein to reflect changes in the Company's assumptions, expectations of future events, or trends.

Investor Information

RESEARCH COVERAGE

| Firm | Analyst | Phone | Email |
|-------------------------------|-------------------|----------------|--|
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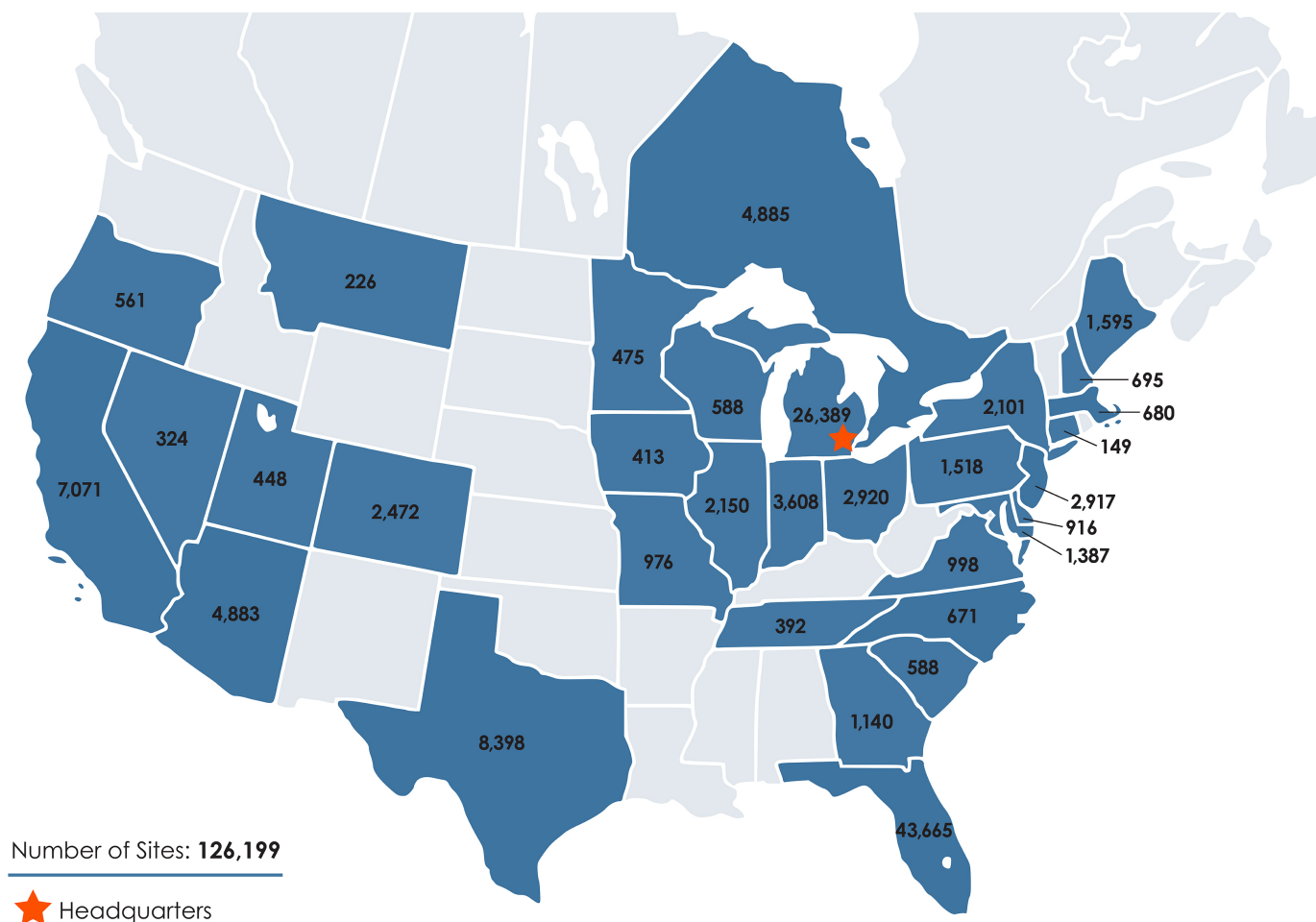
INQUIRIES

Sun Communities welcomes questions or comments from stockholders, analysts, investment managers, media, or any prospective investor. Please address all inquiries to our Investor Relations department.

At Our Website www.suncommunities.com

By Email investorrelations@suncommunities.com

Portfolio Overview
(As of June 30, 2018)



6/30/2018 12/31/2017

ASSETS:

Land \$1,131,956 \$1,107,838

LIABILITIES:

Mortgage loans payable \$2,636,847 \$2,867,356

Secured borrowings ⁽⁵⁾ 118,242 129,182

Preferred Equity - Sun NG Resorts - mandatorily redeemable 35,277 -

Preferred OP units - mandatorily redeemable 37,338 41,443

Lines of credit ⁽⁶⁾ 536,377 41,257

Distributions payable 59,364 55,225

Advanced reservation deposits and rent 161,192 132,205

Other liabilities 151,984 138,536

Total liabilities 3,736,621 3,405,204

Commitments and contingencies - -

Series A-4 preferred stock 31,739 32,414

Series A-4 preferred OP units 10,137 10,652

Equity Interests - NG Sun LLC 21,869 -

STOCKHOLDERS' EQUITY:

Common stock 809 797

Additional paid-in capital 3,854,057 3,758,533

Accumulated other comprehensive (loss) / income (2,184) 1,102

Distributions in excess of accumulated earnings (1,223,394) (1,162,001)

Total SUI stockholders' equity 2,629,288 2,598,431

Noncontrolling interests:

Common and preferred OP units 56,820 60,971

Consolidated variable interest entities 5,874 4,285

Total noncontrolling interests 62,694 65,256

Total stockholders' equity 2,691,982 2,663,687

Total liabilities & stockholders' equity \$6,492,348 \$6,111,957

Statements of Operations - Quarter to Date Comparison
(amounts in thousands, except per share amounts)

| | Three Months Ended June 30, | | | |
|--|-----------------------------|-----------|----------|-----------|
| | 2018 | 2017 | Change | % Change |
| REVENUES: | | | | |
| Income from real property (excluding transient revenue) | \$177,080 | \$163,770 | \$13,310 | 8.1 % |
| Transient revenue | 21,590 | 15,691 | 5,899 | 37.6 % |
| Revenue from home sales | 41,217 | 30,859 | 10,358 | 33.6 % |
| Rental home revenue | 13,348 | 12,678 | 670 | 5.3 % |
| Ancillary revenues | 12,031 | 8,850 | 3,181 | 35.9 % |
| Interest | 5,277 | 5,043 | 234 | 4.6 % |
| Brokerage commissions and other revenues, net | 883 | 1,008 | (125) | (12.4) % |
| Total revenues | 271,426 | 237,899 | 33,527 | 14.1 % |
| EXPENSES: | | | | |
| Property operating and maintenance | 58,691 | 53,446 | 5,245 | 9.8 % |
| Real estate taxes | 14,076 | 13,126 | 950 | 7.2 % |
| Cost of home sales | 30,932 | 22,022 | 8,910 | 40.5 % |
| Rental home operating and maintenance | 5,268 | 4,944 | 324 | 6.6 % |
| Ancillary expenses | 8,241 | 7,148 | 1,093 | 15.3 % |
| Home selling expenses | 3,986 | 2,990 | 996 | 33.3 % |
| General and administrative | 21,442 | 19,899 | 1,543 | 7.8 % |
| Transaction costs ⁽⁷⁾ | 57 | 2,437 | (2,380) | (97.7) % |
| Catastrophic weather related charges, net | 53 | 281 | (228) | (81.1) % |
| Depreciation and amortization | 67,773 | 62,721 | 5,052 | 8.1 % |
| Loss on extinguishment of debt | 1,522 | 293 | 1,229 | 419.5 % |
| Interest | 32,260 | 32,358 | (98) | (0.3) % |
| Interest on mandatorily redeemable preferred OP units / equity | 790 | 787 | 3 | 0.4 % |
| Total expenses | 245,091 | 222,452 | 22,639 | 10.2 % |
| Income before other items | 26,335 | 15,447 | 10,888 | 70.5 % |
| Other (expense) / income, net ⁽⁸⁾ | (1,828) | 1,156 | (2,984) | (258.1) % |
| Current tax (expense) / benefit | (225) | 7 | (232) | NM* |
| Deferred tax (expense) / benefit | (112) | 364 | (476) | (130.8) % |
| Net income | 24,170 | 16,974 | 7,196 | 42.4 % |
| Less: Preferred return to preferred OP units / equity | (1,103) | (1,196) | 93 | (7.8) % |
| Less: Amounts attributable to noncontrolling interests | (2,227) | (1,315) | (912) | 69.4 % |
| Less: Preferred stock distribution | (432) | (2,099) | 1,667 | (79.4) % |

| | | | | |
|---------------------------------------|------------------|------------------|-----------------|--------|
| NET INCOME ATTRIBUTABLE TO SUI | <u>\$ 20,408</u> | <u>\$ 12,364</u> | <u>\$ 8,044</u> | 65.1 % |
|---------------------------------------|------------------|------------------|-----------------|--------|

Weighted average common shares outstanding:

| | | | | |
|---------------------|---------|---------|---------|--------|
| Basic | 79,612 | 74,678 | 4,934 | 6.6 % |
| Diluted | 80,116 | 75,154 | 4,962 | 6.6 % |
| Earnings per share: | | | | |
| Basic | \$ 0.25 | \$ 0.16 | \$ 0.09 | 56.3 % |
| Diluted | \$ 0.25 | \$ 0.16 | \$ 0.09 | 56.3 % |

* Not Meaningful

**Statements of Operations - Year to Date Comparison
(amounts in thousands, except per share amounts)**

| | <u>Six Months Ended June 30,</u> | | | |
|--|----------------------------------|------------------|-----------------|-----------------|
| | <u>2018</u> | <u>2017</u> | <u>Change</u> | <u>% Change</u> |
| REVENUES: | | | | |
| Income from real property (excluding transient revenue) | \$352,290 | \$325,646 | \$26,644 | 8.2 % |
| Transient revenue | 43,591 | 36,869 | 6,722 | 18.2 % |
| Revenue from home sales | 76,117 | 58,122 | 17,995 | 31.0 % |
| Rental home revenue | 26,368 | 25,017 | 1,351 | 5.4 % |
| Ancillary revenues | 18,599 | 15,069 | 3,530 | 23.4 % |
| Interest | 10,593 | 9,689 | 904 | 9.3 % |
| Brokerage commissions and other revenues, net | 1,784 | 1,887 | (103) | (5.5)% |
| Total revenues | <u>529,342</u> | <u>472,299</u> | <u>57,043</u> | 12.1 % |
| EXPENSES: | | | | |
| Property operating and maintenance | 110,321 | 100,612 | 9,709 | 9.6 % |
| Real estate taxes | 27,912 | 26,269 | 1,643 | 6.3 % |
| Cost of home sales | 57,503 | 42,905 | 14,598 | 34.0 % |
| Rental home operating and maintenance | 10,438 | 10,046 | 392 | 3.9 % |
| Ancillary expenses | 13,624 | 11,909 | 1,715 | 14.4 % |
| Home selling expenses | 7,276 | 6,101 | 1,175 | 19.3 % |
| General and administrative | 41,199 | 37,738 | 3,461 | 9.2 % |
| Transaction costs ⁽⁷⁾ | 114 | 4,823 | (4,709) | (97.6)% |
| Catastrophic weather related charges, net | (2,160) | 368 | (2,528) | (687.0)% |
| Depreciation and amortization | 134,210 | 125,487 | 8,723 | 7.0 % |
| Loss on extinguishment of debt | 1,718 | 759 | 959 | 126.4 % |
| Interest | 63,398 | 63,680 | (282) | (0.4)% |
| Interest on mandatorily redeemable preferred OP units / equity | 1,409 | 1,571 | (162) | (10.3)% |
| Total expenses | <u>466,962</u> | <u>432,268</u> | <u>34,694</u> | 8.0 % |
| Income before other items | 62,380 | 40,031 | 22,349 | 55.8 % |
| Other (expense) / income, net ⁽⁸⁾ | (4,445) | 1,995 | (6,440) | (322.8)% |
| Current tax expense | (399) | (171) | (228) | (133.3)% |
| Deferred tax benefit | 235 | 664 | (429) | (64.6)% |
| Net income | 57,771 | 42,519 | 15,252 | 35.9 % |
| Less: Preferred return to preferred OP units / equity | (2,183) | (2,370) | 187 | (7.9)% |
| Less: Amounts attributable to noncontrolling interests | (4,321) | (2,403) | (1,918) | 79.8 % |
| Less: Preferred stock distribution | (873) | (4,278) | 3,405 | (79.6)% |
| NET INCOME ATTRIBUTABLE TO SUI | <u>\$ 50,394</u> | <u>\$ 33,468</u> | <u>\$16,926</u> | 50.6 % |

Weighted average common shares outstanding:

| | | | | |
|---------------------|---------|---------|---------|--------|
| Basic | 79,233 | 73,677 | 5,556 | 7.5 % |
| Diluted | 79,905 | 74,272 | 5,633 | 7.6 % |
| Earnings per share: | | | | |
| Basic | \$ 0.63 | \$ 0.45 | \$ 0.18 | 40.0 % |
| Diluted | \$ 0.63 | \$ 0.45 | \$ 0.18 | 40.0 % |

**Outstanding Securities and Capitalization
(in thousands except for *)**

Outstanding Securities - As of June 30, 2018

| | <u>Number of Units/Shares Outstanding</u> | <u>Conversion Rate*</u> | <u>If Converted</u> | <u>Issuance Price per unit*</u> | <u>Annual Distribution Rate*</u> |
|-------------------------------|---|-----------------------------|-------------------------|-------------------------------------|----------------------------------|
| Convertible Securities | | | | | |
| Series A-1 preferred OP units | 337 | 2.4390 | 822 | \$100 | 6.0% |
| Series A-3 preferred OP units | 40 | 1.8605 | 74 | \$100 | 4.5% |
| Series A-4 preferred OP units | 412 | 0.4444 | 183 | \$25 | 6.5% |
| Series C preferred OP units | 314 | 1.1100 | 349 | \$100 | 4.5% |

| | | | | | |
|---|-------|--------|-------|------|-------------------------------------|
| Common OP units | 2,731 | 1.0000 | 2,731 | N/A | Mirrors common shares distributions |
| Series A-4 cumulative convertible preferred stock | 1,063 | 0.4444 | 472 | \$25 | 6.5% |

Non-Convertible Securities

| | | | | | |
|---------------|--------|-----|-----|-----|---------|
| Common shares | 80,891 | N/A | N/A | N/A | \$2.84^ |
|---------------|--------|-----|-----|-----|---------|

^ Annual distribution is based on the last quarterly distribution annualized.

Capitalization - As of June 30, 2018

| Equity | Shares | Share Price* | Total |
|-----------------|--------|--------------|--------------|
| Common shares | 80,891 | \$ 97.88 | \$ 7,917,611 |
| Common OP units | 2,731 | \$ 97.88 | 267,310 |
| Subtotal | 83,622 | | \$ 8,184,921 |

| | | | |
|----------------------------------|--------|----------|--------------|
| Series A-1 preferred OP units | 822 | \$ 97.88 | 80,457 |
| Series A-3 preferred OP units | 74 | \$ 97.88 | 7,243 |
| Series A-4 preferred OP units | 183 | \$ 97.88 | 17,912 |
| Series C preferred OP units | 349 | \$ 97.88 | 34,160 |
| Total diluted shares outstanding | 85,050 | | \$ 8,324,693 |

Debt

| | | |
|--|--|--------------|
| Mortgage loans payable | | \$ 2,636,847 |
| Secured borrowings ⁽⁵⁾ | | 118,242 |
| Preferred Equity - Sun NG Resorts - mandatorily redeemable | | 35,277 |
| Preferred OP units - mandatorily redeemable | | 37,338 |
| Lines of credit | | 536,377 |
| Total Debt | | \$ 3,364,081 |

Preferred

| | | | |
|---------------------|-------|----------|-----------|
| A-4 preferred stock | 1,063 | \$ 25.00 | \$ 26,575 |
|---------------------|-------|----------|-----------|

Total Capitalization \$11,715,349

Reconciliations to Non-GAAP Financial Measures

Reconciliation of Net Income Attributable to Sun Communities, Inc. Common Stockholders to Funds from Operations

(amounts in thousands except for per share data)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|-----------|---------------------------|-----------|
| | 2018 | 2017 | 2018 | 2017 |
| Net income attributable to Sun Communities, Inc. common stockholders: | \$ 20,408 | \$ 12,364 | \$ 50,394 | \$ 33,468 |
| Adjustments: | | | | |
| Depreciation and amortization | 67,977 | 62,842 | 134,623 | 125,659 |
| Amounts attributable to noncontrolling interests | 2,089 | 1,202 | 3,978 | 2,102 |
| Preferred return to preferred OP units | 552 | 586 | 1,105 | 1,172 |
| Preferred distribution to Series A-4 preferred stock | 432 | 560 | 873 | 1,225 |
| Gain on disposition of assets, net | (5,835) | (4,352) | (10,374) | (7,033) |
| FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities ^{(1) (9)} | \$ 85,623 | \$ 73,202 | \$180,599 | \$156,593 |
| Adjustments: | | | | |
| Transaction costs ⁽⁷⁾ | - | 2,437 | - | 4,823 |
| Other acquisition related costs ⁽¹⁰⁾ | 301 | 1,525 | 436 | 2,369 |
| Loss on extinguishment of debt | 1,522 | 293 | 1,718 | 759 |
| Catastrophic weather related charges, net | 53 | 281 | (2,160) | 368 |
| Loss of earnings - catastrophic weather related ⁽¹¹⁾ | 325 | - | 650 | - |
| Other expense / (income), net ⁽⁸⁾ | 1,828 | (1,156) | 4,445 | (1,995) |
| Debt premium write-off | (209) | (24) | (991) | (438) |
| Ground lease intangible write-off | 817 | - | 817 | - |
| Deferred tax expense / (benefit) | 112 | (364) | (235) | (664) |
| Core FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities ^{(1) (9)} | \$ 90,372 | \$ 76,194 | \$185,279 | \$161,815 |
| Weighted average common shares outstanding - basic: | 79,612 | 74,678 | 79,233 | 73,677 |
| Add: | | | | |
| Common stock issuable upon conversion of stock options | 2 | 2 | 2 | 2 |
| Restricted stock | 502 | 474 | 670 | 593 |
| Common OP units | 2,735 | 2,757 | 2,738 | 2,756 |

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Common stock issuable upon conversion of Series A-1 preferred OP units | 825 | 882 | 831 | 887 |
| Common stock issuable upon conversion of Series A-3 preferred OP units | 75 | 75 | 75 | 75 |
| Common stock issuable upon conversion of Series A-4 preferred stock | 472 | 645 | 472 | 690 |
| Weighted average common shares outstanding - fully diluted | <u>84,223</u> | <u>79,513</u> | <u>84,021</u> | <u>78,680</u> |
| FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities ^{(1) (9)} | | | | |
| per share - fully diluted | \$ 1.02 | \$ 0.92 | \$ 2.15 | \$ 1.99 |
| Core FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities ⁽¹⁾ | | | | |
| ⁽⁹⁾ per share - fully diluted | \$ 1.07 | \$ 0.96 | \$ 2.21 | \$ 2.06 |

Reconciliation of Net Income Attributable to Sun Communities, Inc. Common Stockholders to Recurring EBITDA
(amounts in thousands)

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|-------------------|-------------------|-------------------|
| | June 30, | | June 30, | |
| | 2018 | 2017 | 2018 | 2017 |
| Net income attributable to Sun Communities, Inc., common stockholders: | \$ 20,408 | \$ 12,364 | \$ 50,394 | \$ 33,468 |
| Adjustments: | | | | |
| Interest expense | 33,050 | 33,145 | 64,807 | 65,251 |
| Loss on extinguishment of debt | 1,522 | 293 | 1,718 | 759 |
| Current tax expense / (benefit) | 225 | (7) | 399 | 171 |
| Deferred tax expense / (benefit) | 112 | (364) | (235) | (664) |
| Depreciation and amortization | 67,773 | 62,721 | 134,210 | 125,487 |
| Gain on disposition of assets, net | (5,835) | (4,352) | (10,374) | (7,033) |
| EBITDA ^{re (1)} | \$ 117,255 | \$ 103,800 | \$ 240,919 | \$ 217,439 |
| Adjustments: | | | | |
| Transaction costs ⁽⁷⁾ | 57 | 2,437 | 114 | 4,823 |
| Other expense / (income), net ⁽⁸⁾ | 1,828 | (1,156) | 4,445 | (1,995) |
| Catastrophic weather related charges, net | 53 | 281 | (2,160) | 368 |
| Preferred return to preferred OP units / equity | 1,103 | 1,196 | 2,183 | 2,370 |
| Amounts attributable to noncontrolling interests | 2,227 | 1,315 | 4,321 | 2,403 |
| Preferred stock distribution | 432 | 2,099 | 873 | 4,278 |
| Plus: Gain on dispositions of assets, net | 5,835 | 4,352 | 10,374 | 7,033 |
| Recurring EBITDA ⁽¹⁾ | <u>\$ 128,790</u> | <u>\$ 114,324</u> | <u>\$ 261,069</u> | <u>\$ 236,719</u> |

Reconciliation of Net Income Attributable to Sun Communities, Inc. Common Stockholders to Net Operating Income
(amounts in thousands)

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|-------------------|-------------------|-------------------|
| | June 30, | | June 30, | |
| | 2018 | 2017 | 2018 | 2017 |
| Net income attributable to Sun Communities, Inc., common stockholders: | \$ 20,408 | \$ 12,364 | \$ 50,394 | \$ 33,468 |
| Other revenues | (6,160) | (6,051) | (12,377) | (11,576) |
| Home selling expenses | 3,986 | 2,990 | 7,276 | 6,101 |
| General and administrative | 21,442 | 19,899 | 41,199 | 37,738 |
| Transaction costs ⁽⁷⁾ | 57 | 2,437 | 114 | 4,823 |
| Depreciation and amortization | 67,773 | 62,721 | 134,210 | 125,487 |
| Loss on extinguishment of debt | 1,522 | 293 | 1,718 | 759 |
| Interest expense | 33,050 | 33,145 | 64,807 | 65,251 |
| Catastrophic weather related charges, net | 53 | 281 | (2,160) | 368 |
| Other expense / (income), net ⁽⁸⁾ | 1,828 | (1,156) | 4,445 | (1,995) |
| Current tax expense / (benefit) | 225 | (7) | 399 | 171 |
| Deferred tax expense / (benefit) | 112 | (364) | (235) | (664) |
| Preferred return to preferred OP units / equity | 1,103 | 1,196 | 2,183 | 2,370 |
| Amounts attributable to noncontrolling interests | 2,227 | 1,315 | 4,321 | 2,403 |
| Preferred stock distribution | 432 | 2,099 | 873 | 4,278 |
| NOI ⁽¹⁾ / Gross Profit | <u>\$ 148,058</u> | <u>\$ 131,162</u> | <u>\$ 297,167</u> | <u>\$ 268,982</u> |
| | Three Months Ended | | Six Months Ended | |
| | June 30, | | June 30, | |
| | 2018 | 2017 | 2018 | 2017 |
| Real Property NOI ⁽¹⁾ | \$ 125,903 | \$ 112,889 | \$ 257,648 | \$ 235,634 |
| Rental Program NOI ⁽¹⁾ | 24,619 | 23,743 | 48,778 | 46,699 |
| Home Sales NOI ⁽¹⁾ / Gross Profit | 10,285 | 8,837 | 18,614 | 15,217 |
| Ancillary NOI ⁽¹⁾ / Gross Profit | 3,790 | 1,702 | 4,975 | 3,160 |
| Site rent from Rental Program (included in Real Property NOI) ⁽¹⁾⁽¹²⁾ | (16,539) | (16,009) | (32,848) | (31,728) |
| NOI ⁽¹⁾ / Gross profit | <u>\$ 148,058</u> | <u>\$ 131,162</u> | <u>\$ 297,167</u> | <u>\$ 268,982</u> |

Non-GAAP and Other Financial Measures

Financial and Operating Highlights

(amounts in thousands, except for *)

| | Quarter Ended | | | | |
|---|---------------|------------|------------|------------|------------|
| | 6/30/2018 | 3/31/2018 | 12/31/2017 | 9/30/2017 | 6/30/2017 |
| FINANCIAL INFORMATION | | | | | |
| Total revenues | \$ 271,426 | \$ 257,916 | \$ 242,026 | \$ 268,245 | \$ 237,899 |
| Net income | 24,170 | 33,601 | 10,342 | 28,958 | 16,974 |
| Net income attributable to common stockholders | 20,408 | 29,986 | 7,438 | 24,115 | 12,364 |
| Earnings per share basic* | \$ 0.25 | \$ 0.38 | \$ 0.09 | \$ 0.31 | \$ 0.16 |
| Earnings per share diluted* | 0.25 | 0.38 | 0.09 | 0.31 | 0.16 |
| Recurring EBITDA (1) | \$ 128,790 | \$ 132,222 | \$ 119,408 | \$ 132,524 | \$ 114,324 |
| FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities (1) (9) | 85,623 | 94,976 | 76,609 | 86,917 | 73,202 |
| Core FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities (1) (9) | 90,372 | 94,907 | 81,812 | 93,757 | 76,194 |
| FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities (1) (9) per share - fully diluted* | \$ 1.02 | \$ 1.14 | \$ 0.92 | \$ 1.05 | \$ 0.92 |
| Core FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities (1) (9) per share - fully diluted* | 1.07 | 1.14 | 0.98 | 1.13 | 0.96 |

BALANCE SHEETS

| | | | | | |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| Total assets | \$6,492,348 | \$6,149,653 | \$6,111,957 | \$6,157,836 | \$6,178,713 |
| Total debt | 3,364,081 | 3,129,440 | 3,079,238 | 3,003,427 | 3,018,653 |
| Total liabilities | 3,736,621 | 3,471,096 | 3,405,204 | 3,351,021 | 3,373,695 |

| | Quarter Ended | | | | |
|-----------------------------------|---------------|-----------|------------|-----------|-----------|
| | 6/30/2018 | 3/31/2018 | 12/31/2017 | 9/30/2017 | 6/30/2017 |
| OPERATING INFORMATION* | | | | | |
| New home sales | 134 | 106 | 103 | 102 | 81 |
| Pre-owned home sales | 809 | 731 | 747 | 703 | 720 |
| Total homes sold | 943 | 837 | 850 | 805 | 801 |
| Communities | 367 | 350 | 350 | 348 | 344 |
| Developed sites | 107,192 | 106,617 | 106,036 | 104,359 | 103,377 |
| Transient RV sites | 19,007 | 15,693 | 15,856 | 15,915 | 16,187 |
| Total sites | 126,199 | 122,310 | 121,892 | 120,274 | 119,564 |
| MH occupancy | 95.0% | 94.7% | 94.6% | 95.2% | 95.1% |
| RV occupancy | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Total blended MH and RV occupancy | 96.1% | 95.8% | 95.8% | 96.2% | 96.1% |

Debt Analysis

(amounts in thousands)

| | Quarter Ended | | | | |
|--|---------------|-------------|-------------|-------------|-------------|
| | 6/30/2018 | 3/31/2018 | 12/31/2017 | 9/30/2017 | 6/30/2017 |
| DEBT OUTSTANDING | | | | | |
| Mortgage loans payable | \$2,636,847 | \$2,826,225 | \$2,867,356 | \$2,822,640 | \$2,832,819 |
| Secured borrowings (5) | 118,242 | 124,077 | 129,182 | 134,884 | 139,496 |
| Preferred Equity - Sun NG Resorts - mandatorily redeemable | 35,277 | - | - | - | - |
| Preferred OP units - mandatorily redeemable | 37,338 | 37,338 | 41,443 | 45,903 | 45,903 |
| Lines of credit (6) | 536,377 | 141,800 | 41,257 | - | 435 |
| Total debt | \$3,364,081 | \$3,129,440 | \$3,079,238 | \$3,003,427 | \$3,018,653 |
| % FIXED/FLOATING | | | | | |
| Fixed | 84.0% | 90.6% | 93.7% | 94.9% | 94.9% |
| Floating | 16.0% | 9.4% | 6.3% | 5.1% | 5.1% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

WEIGHTED AVERAGE INTEREST RATES

| | | | | | |
|--|-------|-------|-------|-------|-------|
| Mortgage loans payable | 4.27% | 4.25% | 4.25% | 4.26% | 4.26% |
| Preferred Equity - Sun NG Resorts - mandatorily redeemable | 6.00% | -% | -% | -% | -% |
| Preferred OP units - mandatorily redeemable | 6.61% | 6.61% | 6.75% | 6.87% | 6.87% |

| | | | | | |
|--|-------|-------|-------|-------|-------|
| Lines of credit ⁽⁶⁾ | 3.31% | 3.01% | 2.79% | -% | -% |
| Average before Secured borrowings ⁽⁵⁾ | 4.15% | 4.22% | 4.26% | 4.30% | 4.30% |
| Secured borrowings ⁽⁵⁾ | 9.96% | 9.97% | 9.97% | 9.98% | 9.99% |
| Total average | 4.36% | 4.45% | 4.50% | 4.56% | 4.56% |

DEBT RATIOS

| | | | | | |
|--|-------|-------|-------|-------|-------|
| Net Debt / Recurring EBITDA ⁽¹⁾ (TTM) | 6.5 | 6.2 | 6.3 | 6.0 | 6.0 |
| Net Debt / Enterprise Value | 28.6% | 28.8% | 28.2% | 28.3% | 27.2% |
| Net Debt / Gross Assets | 42.7% | 41.9% | 41.8% | 39.0% | 38.0% |

COVERAGE RATIOS

| | | | | | |
|---|-----|-----|-----|-----|-----|
| Recurring EBITDA ⁽¹⁾ (TTM) / Interest | 3.7 | 3.6 | 3.6 | 3.5 | 3.4 |
| Recurring EBITDA ⁽¹⁾ (TTM) / Interest + Pref. Distributions + Pref. Stock Distribution | 3.6 | 3.4 | 3.3 | 3.2 | 3.1 |

| MATURITIES/PRINCIPAL AMORTIZATION NEXT FIVE YEARS | Remaining 2018 | 2019 | 2020 | 2021 | 2022 |
|--|----------------|-----------|-----------|------------|-----------|
| Mortgage loans payable: | | | | | |
| Maturities | \$ - | \$ 40,407 | \$ 58,078 | \$ 270,680 | \$ 82,544 |
| Weighted average rate of maturities | - % | 6.17% | 5.92% | 5.53% | 4.46% |
| Principal amortization | 26,473 | 54,359 | 55,137 | 54,163 | 51,558 |
| Secured borrowings ⁽⁵⁾ | 2,635 | 5,624 | 6,137 | 6,595 | 6,804 |
| Preferred Equity - Sun NG Resorts - mandatorily redeemable | - | - | - | - | 35,277 |
| Preferred OP units - mandatorily redeemable | 1,500 | 1,175 | - | - | - |
| Lines of credit ⁽⁶⁾ | - | 2,845 | - | 534,000 | - |
| Total | \$ 30,608 | \$104,410 | \$119,352 | \$865,438 | \$176,183 |

Statements of Operations - Same Community⁽³⁾ (amounts in thousands except for Other Information)

| | Three Months Ended June 30, | | | | Six Months Ended June 30, | | | |
|---|-----------------------------|------------------|-----------------|--------------|---------------------------|------------------|-----------------|--------------|
| | 2018 | 2017 | Change | % Change | 2018 | 2017 | Change | % Change |
| REVENUES: | | | | | | | | |
| Income from real property ⁽¹³⁾ | \$181,211 | \$170,445 | \$10,766 | 6.3 % | \$366,330 | \$345,651 | \$20,679 | 6.0 % |
| PROPERTY OPERATING EXPENSES: | | | | | | | | |
| Payroll and benefits | 17,092 | 16,753 | 339 | 2.0 % | 32,133 | 31,598 | 535 | 1.7 % |
| Legal, taxes & insurance | 2,003 | 1,872 | 131 | 7.0 % | 4,427 | 3,385 | 1,042 | 30.8 % |
| Utilities ⁽¹³⁾ | 12,794 | 12,111 | 683 | 5.6 % | 26,675 | 24,488 | 2,187 | 8.9 % |
| Supplies and repair ⁽¹⁴⁾ | 7,547 | 7,263 | 284 | 3.9 % | 12,575 | 11,933 | 642 | 5.4 % |
| Other | 6,130 | 5,418 | 712 | 13.1 % | 11,560 | 10,654 | 906 | 8.5 % |
| Real estate taxes | 13,506 | 13,058 | 448 | 3.4 % | 26,866 | 26,165 | 701 | 2.7 % |
| Total property operating expenses | 59,072 | 56,475 | 2,597 | 4.6 % | 114,236 | 108,223 | 6,013 | 5.6 % |
| NET OPERATING INCOME (NOI)⁽¹⁾ | \$122,139 | \$113,970 | \$ 8,169 | 7.2 % | \$252,094 | \$237,428 | \$14,666 | 6.2 % |

As of June 30,

| | 2018 | 2017 | Change | % Change |
|--|------|------|--------|----------|
|--|------|------|--------|----------|

OTHER INFORMATION

| | | | | |
|--|--------|--------|-------|-----------------------|
| Communities | 336 | 336 | - | |
| MH occupancy ⁽⁴⁾ | 97.1% | | | |
| RV occupancy ⁽⁴⁾ | 100.0% | | | |
| MH & RV blended occupancy % ⁽⁴⁾ | 97.8% | 95.8% | 2.0% | |
| Sites available for development | 7,463 | 6,193 | 1,270 | 20.5 % |
| Monthly base rent per site - MH | \$ 545 | \$ 525 | \$ 20 | 3.8 % ⁽¹⁶⁾ |
| Monthly base rent per site - RV ⁽¹⁵⁾ | \$ 448 | \$ 426 | \$ 22 | 5.2 % ⁽¹⁶⁾ |
| Monthly base rent per site - Total ⁽¹⁵⁾ | \$ 523 | \$ 503 | \$ 20 | 4.0 % ⁽¹⁶⁾ |

Rental Program Summary

(amounts in thousands except for *)

| | Three Months Ended June 30, | | | | Six Months Ended June 30, | | | |
|---|-----------------------------|----------|--------|----------|---------------------------|----------|----------|----------|
| | 2018 | 2017 | Change | % Change | 2018 | 2017 | Change | % Change |
| REVENUES: | | | | | | | | |
| Rental home revenue | \$13,348 | \$12,678 | \$ 670 | 5.3 % | \$26,368 | \$25,017 | \$ 1,351 | 5.4 % |
| Site rent included in Income from real property | 16,539 | 16,009 | 530 | 3.3 % | 32,848 | 31,728 | 1,120 | 3.5 % |
| Rental program revenue | 29,887 | 28,687 | 1,200 | 4.2 % | 59,216 | 56,745 | 2,471 | 4.4 % |

EXPENSES:

| | | | | | | | | |
|--|-----------------|-----------------|---------------|--------------|-----------------|-----------------|-----------------|--------------|
| Commissions | 689 | 401 | 288 | 71.8 % | 1,019 | 1,011 | 8 | 0.8 % |
| Repairs and refurbishment | 2,207 | 2,363 | (156) | (6.6)% | 4,521 | 4,644 | (123) | (2.6)% |
| Taxes and insurance | 1,558 | 1,506 | 52 | 3.5 % | 3,093 | 2,943 | 150 | 5.1 % |
| Marketing and other | 814 | 674 | 140 | 20.8 % | 1,805 | 1,448 | 357 | 24.7 % |
| Rental program operating and maintenance | 5,268 | 4,944 | 324 | 6.6 % | 10,438 | 10,046 | 392 | 3.9 % |
| NET OPERATING INCOME (NOI) (1) | \$24,619 | \$23,743 | \$ 876 | 3.7 % | \$48,778 | \$46,699 | \$ 2,079 | 4.5 % |

Occupied rental home information as of June 30, 2018 and 2017:

| | | | | |
|--|-----------|-----------|----------|--------|
| Number of occupied rentals, end of period* | 11,072 | 11,083 | (11) | (0.1)% |
| Investment in occupied rental homes, end of period | \$514,756 | \$479,503 | \$35,253 | 7.4 % |
| Number of sold rental homes (YTD)* | 509 | 542 | (33) | (6.1)% |
| Weighted average monthly rental rate, end of period* | \$ 927 | \$ 889 | \$ 38 | 4.3 % |

Home Sales Summary

(amounts in thousands except for *)

| | Three Months Ended June 30, | | | | Six Months Ended June 30, | | | |
|--|-----------------------------|-----------------|-----------------|--------------|---------------------------|-----------------|-----------------|--------------|
| | 2018 | 2017 | Change | % Change | 2018 | 2017 | Change | % Change |
| REVENUES AND EXPENSES: | | | | | | | | |
| New home sales | \$ 14,652 | \$ 7,546 | \$ 7,106 | 94.2% | \$ 26,545 | \$14,429 | \$12,116 | 84.0% |
| Pre-owned home sales | 26,565 | 23,313 | 3,252 | 13.9% | 49,572 | 43,693 | 5,879 | 13.5% |
| Revenue from home sales | 41,217 | 30,859 | 10,358 | 33.6% | 76,117 | 58,122 | 17,995 | 31.0% |
| New home cost of sales | 12,712 | 6,497 | 6,215 | 95.7% | 22,909 | 12,345 | 10,564 | 85.6% |
| Pre-owned home cost of sales | 18,220 | 15,525 | 2,695 | 17.4% | 34,594 | 30,560 | 4,034 | 13.2% |
| Cost of home sales | 30,932 | 22,022 | 8,910 | 40.5% | 57,503 | 42,905 | 14,598 | 34.0% |
| NOI / Gross Profit (1) | \$ 10,285 | \$ 8,837 | \$ 1,448 | 16.4% | \$ 18,614 | \$15,217 | \$ 3,397 | 22.3% |
| Gross profit - new homes | \$ 1,940 | \$ 1,049 | \$ 891 | 84.9% | \$ 3,636 | \$ 2,084 | \$ 1,552 | 74.5% |
| Gross margin % - new homes | 13.2% | 13.9% | (0.7)% | | 13.7% | 14.4% | (0.7)% | |
| Average selling price - new homes* | \$109,343 | \$93,161 | \$16,182 | 17.4% | \$110,604 | \$91,905 | \$18,699 | 20.3% |
| Gross profit - pre-owned homes | \$ 8,345 | \$ 7,788 | \$ 557 | 7.2% | \$ 14,978 | \$13,133 | \$ 1,845 | 14.0% |
| Gross margin % - pre-owned homes | 31.4% | 33.4% | (2.0)% | | 30.2% | 30.1% | 0.1% | |
| Average selling price - pre-owned homes* | \$ 32,837 | \$32,379 | \$ 458 | 1.4% | \$ 32,190 | \$29,723 | \$ 2,467 | 8.3% |
| Home sales volume: | | | | | | | | |
| New home sales* | 134 | 81 | 53 | 65.4% | 240 | 157 | 83 | 52.9% |
| Pre-owned home sales* | 809 | 720 | 89 | 12.4% | 1,540 | 1,470 | 70 | 4.8% |
| Total homes sold* | 943 | 801 | 142 | 17.7% | 1,780 | 1,627 | 153 | 9.4% |

Acquisitions and Other Summary (17)

(amounts in thousands except for statistical data)

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|--------------|------------------|--------------|
| | June 30, 2018 | | June 30, 2018 | |
| REVENUES: | | | | |
| Income from real property | \$ | 9,729 | \$ | 13,781 |
| PROPERTY AND OPERATING EXPENSES: | | | | |
| Payroll and benefits | | 1,578 | | 2,196 |
| Legal, taxes & insurance | | 83 | | 141 |
| Utilities ⁽¹³⁾ | | 1,082 | | 1,714 |
| Supplies and repair | | 366 | | 513 |
| Other | | 2,286 | | 2,617 |
| Real estate taxes | | 570 | | 1,046 |
| Property operating expenses | | 5,965 | | 8,227 |
| NET OPERATING INCOME (NOI) (1) | \$ | 3,764 | \$ | 5,554 |

As of June 30, 2018**Other information:**

| | |
|----------------------|-------|
| Number of properties | 31 |
| Occupied sites | 2,255 |
| Developed sites | 2,319 |

| | |
|-----------------|--------|
| Occupancy % | 97.2 % |
| Transient sites | 4,365 |

Property Summary
(includes MH and Annual RV's)

| COMMUNITIES | 6/30/2018 | 3/31/2018 | 12/31/2017 | 9/30/2017 | 6/30/2017 |
|---------------------------------|------------------|------------------|-------------------|------------------|------------------|
| FLORIDA | | | | | |
| Communities | 124 | 123 | 123 | 121 | 121 |
| Developed sites ⁽¹⁸⁾ | 37,723 | 37,726 | 37,254 | 36,587 | 36,661 |
| Occupied ⁽¹⁸⁾ | 36,602 | 36,546 | 36,170 | 35,414 | 35,479 |
| Occupancy % ⁽¹⁸⁾ | 97.0% | 96.9% | 97.1% | 96.8% | 96.8% |
| Sites for development | 1,335 | 1,397 | 1,485 | 1,469 | 1,368 |
| MICHIGAN | | | | | |
| Communities | 69 | 68 | 68 | 68 | 68 |
| Developed sites ⁽¹⁸⁾ | 26,039 | 25,881 | 25,881 | 25,498 | 25,496 |
| Occupied ⁽¹⁸⁾ | 24,709 | 24,319 | 24,147 | 23,996 | 23,924 |
| Occupancy % ⁽¹⁸⁾ | 94.9% | 94.0% | 93.3% | 94.1% | 93.8% |
| Sites for development | 1,668 | 1,371 | 1,371 | 1,752 | 1,752 |
| TEXAS | | | | | |
| Communities | 23 | 21 | 21 | 21 | 21 |
| Developed sites ⁽¹⁸⁾ | 6,622 | 6,614 | 6,601 | 6,410 | 6,312 |
| Occupied ⁽¹⁸⁾ | 6,251 | 6,191 | 6,152 | 6,041 | 6,021 |
| Occupancy % ⁽¹⁸⁾ | 94.4% | 93.6% | 93.2% | 94.2% | 95.4% |
| Sites for development | 1,168 | 1,100 | 1,100 | 1,277 | 1,345 |
| CALIFORNIA | | | | | |
| Communities | 29 | 27 | 27 | 27 | 23 |
| Developed sites ⁽¹⁸⁾ | 5,694 | 5,692 | 5,692 | 5,693 | 4,894 |
| Occupied ⁽¹⁸⁾ | 5,647 | 5,646 | 5,639 | 5,630 | 4,834 |
| Occupancy % ⁽¹⁸⁾ | 99.2% | 99.2% | 99.1% | 98.9% | 98.8% |
| Sites for development | 177 | 389 | 389 | 379 | 367 |
| ARIZONA | | | | | |
| Communities | 11 | 11 | 11 | 11 | 11 |
| Developed sites ⁽¹⁸⁾ | 3,804 | 3,797 | 3,786 | 3,602 | 3,589 |
| Occupied ⁽¹⁸⁾ | 3,485 | 3,468 | 3,446 | 3,410 | 3,383 |
| Occupancy % ⁽¹⁸⁾ | 91.6% | 91.3% | 91.0% | 94.7% | 94.3% |
| Sites for development | - | - | - | 269 | 269 |
| ONTARIO, CANADA | | | | | |
| Communities | 15 | 15 | 15 | 15 | 15 |
| Developed sites ⁽¹⁸⁾ | 3,752 | 3,650 | 3,634 | 3,620 | 3,564 |
| Occupied ⁽¹⁸⁾ | 3,752 | 3,650 | 3,634 | 3,620 | 3,564 |
| Occupancy % ⁽¹⁸⁾ | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Sites for development | 1,662 | 1,664 | 1,696 | 1,628 | 1,628 |
| INDIANA | | | | | |
| Communities | 11 | 11 | 11 | 11 | 11 |
| Developed sites ⁽¹⁸⁾ | 3,089 | 3,048 | 2,900 | 2,900 | 2,900 |
| Occupied ⁽¹⁸⁾ | 2,791 | 2,785 | 2,756 | 2,759 | 2,758 |
| Occupancy % ⁽¹⁸⁾ | 90.4% | 91.4% | 95.0% | 95.1% | 95.1% |
| Sites for development | 277 | 318 | 466 | 330 | 330 |
| OHIO | | | | | |
| Communities | 9 | 9 | 9 | 9 | 9 |
| Developed sites ⁽¹⁸⁾ | 2,767 | 2,756 | 2,759 | 2,757 | 2,735 |
| Occupied ⁽¹⁸⁾ | 2,698 | 2,672 | 2,676 | 2,676 | 2,643 |
| Occupancy % ⁽¹⁸⁾ | 97.5% | 97.0% | 97.0% | 97.1% | 96.6% |
| Sites for development | 59 | 75 | 75 | 75 | 75 |
| COLORADO | | | | | |
| Communities | 8 | 8 | 8 | 8 | 8 |
| Developed sites ⁽¹⁸⁾ | 2,335 | 2,335 | 2,335 | 2,335 | 2,335 |
| Occupied ⁽¹⁸⁾ | 2,319 | 2,327 | 2,325 | 2,318 | 2,326 |
| Occupancy % ⁽¹⁸⁾ | 99.3% | 99.7% | 99.6% | 99.3% | 99.6% |
| Sites for development | 1,819 | 650 | 650 | 670 | 656 |
| OTHER STATES | | | | | |
| Communities | 68 | 57 | 57 | 57 | 57 |
| Developed sites ⁽¹⁸⁾ | 15,367 | 15,118 | 15,194 | 14,957 | 14,891 |
| Occupied ⁽¹⁸⁾ | 14,786 | 14,544 | 14,587 | 14,532 | 14,439 |
| Occupancy % ⁽¹⁸⁾ | 96.2% | 96.2% | 96.0% | 97.2% | 97.0% |
| Sites for development | 3,233 | 2,381 | 2,385 | 2,540 | 2,582 |
| TOTAL - PORTFOLIO | | | | | |
| Communities | 367 | 350 | 350 | 348 | 344 |
| Developed sites ⁽¹⁸⁾ | 107,192 | 106,617 | 106,036 | 104,359 | 103,377 |

Property Summary
(includes MH and Annual RV's)

| COMMUNITIES | 6/30/2018 | 3/31/2018 | 12/31/2017 | 9/30/2017 | 6/30/2017 |
|---------------------------------|-----------|-----------|------------|-----------|-----------|
| Occupied ⁽¹⁸⁾ | 103,040 | 102,148 | 101,532 | 100,396 | 99,371 |
| Occupancy % ⁽¹⁸⁾⁽¹⁹⁾ | 96.1% | 95.8% | 95.8% | 96.2% | 96.1% |
| Sites for development | 11,398 | 9,345 | 9,617 | 10,389 | 10,372 |
| % Communities age restricted | 32.2% | 33.7% | 33.7% | 33.6% | 32.8% |

TRANSIENT RV PORTFOLIO SUMMARY

| Location | 6/30/2018 | 3/31/2018 | 12/31/2017 | 9/30/2017 | 6/30/2017 |
|--------------------------|-----------|-----------|------------|-----------|-----------|
| Florida | 5,942 | 5,870 | 6,074 | 6,133 | 6,244 |
| Texas | 1,776 | 1,360 | 1,373 | 1,392 | 1,403 |
| California | 1,377 | 806 | 806 | 808 | 808 |
| Ontario, Canada | 1,133 | 1,234 | 1,248 | 1,262 | 1,314 |
| Arizona | 1,079 | 1,085 | 1,096 | 1,012 | 1,025 |
| New York | 928 | 610 | 614 | 623 | 630 |
| New Jersey | 906 | 931 | 917 | 1,016 | 1,028 |
| Maine | 591 | 591 | 596 | 529 | 533 |
| Indiana | 519 | 519 | 520 | 520 | 520 |
| Michigan | 350 | 256 | 256 | 258 | 260 |
| Ohio | 153 | 148 | 145 | 147 | 169 |
| Other locations | 4,253 | 2,283 | 2,211 | 2,215 | 2,253 |
| Total transient RV sites | 19,007 | 15,693 | 15,856 | 15,915 | 16,187 |

Capital Improvements, Development, and Acquisitions
(amounts in thousands except for *)

| YTD | Recurring Capital Expenditures Average/Site* | Recurring Capital Expenditures ⁽²⁰⁾ | Lot Modifications ⁽²¹⁾ | Acquisitions ⁽²²⁾ | Expansion & Development ⁽²³⁾ | Revenue Producing ⁽²⁴⁾ |
|------|--|--|-----------------------------------|------------------------------|---|-----------------------------------|
| 2018 | \$ 77 | \$ 7,066 | \$ 9,471 | \$ 336,205 | \$ 61,258 | \$ 1,237 |
| 2017 | \$ 214 | \$ 14,166 | \$ 18,049 | \$ 204,375 | \$ 88,331 | \$ 1,990 |
| 2016 | \$ 211 | \$ 17,613 | \$ 19,040 | \$ 1,822,564 | \$ 47,958 | \$ 2,631 |

Operating Statistics for Manufactured Homes and Annual RV's

| LOCATIONS | Resident Move-outs | Net Leased Sites ⁽²⁵⁾ | New Home Sales | Pre-owned Home Sales | Brokered | Re-sales |
|--------------------------------|---------------------------|---|-----------------------|-----------------------------|-----------------|-----------------|
| Florida | 695 | 432 | 121 | 158 | | 705 |
| Michigan | 224 | 404 | 34 | 773 | | 69 |
| Ontario, Canada | 387 | 118 | 10 | 15 | | 78 |
| Texas | 118 | 99 | 16 | 197 | | 16 |
| Arizona | 47 | 39 | 15 | 5 | | 89 |
| Indiana | 24 | 35 | 3 | 112 | | 4 |
| Ohio | 57 | 22 | 1 | 78 | | 6 |
| California | 15 | 8 | 10 | 4 | | 44 |
| Colorado | 1 | (6) | 1 | 37 | | 29 |
| Other locations | 560 | 99 | 29 | 161 | | 60 |
| Six Months Ended June 30, 2018 | 2,128 | 1,250 | 240 | 1,540 | | 1,100 |
| TOTAL FOR YEAR ENDED | Resident Move-outs | New Leased Sites ⁽²⁵⁾ | New Home Sales | Pre-owned Home Sales | Brokered | Re-sales |
| 2017 | 2,739 | 2,406 | 362 | 2,920 | | 2,006 |
| 2016 | 1,722 | 1,686 | 329 | 2,843 | | 1,655 |
| PERCENTAGE TRENDS | Resident Move-outs | Resident | Re-sales | | | |
| 2018 (TTM) | 2.4 % | 7.1 % | | | | |
| 2017 | 1.9 % | 6.6 % | | | | |
| 2016 | 2.0 % | 6.1 % | | | | |

Footnotes and Definitions

(1) Investors in and analysts following the real estate industry utilize funds from operations ("FFO"), net operating income ("NOI"), and earnings before interest, tax, depreciation and amortization ("EBITDA") as supplemental performance measures. The Company believes that FFO, NOI, and EBITDA are appropriate measures given their wide use by and relevance to investors and analysts. Additionally, FFO, NOI, and EBITDA are commonly used in various ratios, pricing multiples, yields and returns and valuation calculations used to measure financial position, performance and value.

- FFO, reflecting the assumption that real estate values rise or fall with market conditions, principally adjusts for the effects of generally accepted accounting principles ("GAAP") depreciation and amortization of real estate assets.
- NOI provides a measure of rental operations that does not factor in depreciation, amortization and non-property specific expenses such as general and administrative expenses.
- EBITDA provides a further measure to evaluate ability to incur and service debt and to fund dividends and other cash needs.

FFO is defined by the National Association of Real Estate Investment Trusts ("NAREIT") as GAAP net income (loss), excluding gains (or losses) from sales of depreciable operating property, plus real estate-related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO is a non-GAAP financial measure that management believes is a useful supplemental measure of the Company's operating performance. By excluding gains and losses related to sales of previously depreciated operating real estate assets, impairment and excluding real estate asset depreciation and amortization (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO provides a performance measure that, when compared period-over-period, reflects the impact to operations from trends in occupancy rates, rental rates, and operating costs, providing perspective not readily apparent from GAAP net income (loss). Management believes the use of FFO has been beneficial in improving the understanding of operating results of REITs among the investing public and making comparisons of REIT operating results more meaningful. The Company also uses FFO excluding certain gain and loss items that management considers unrelated to the operational and financial performance of our core business ("Core FFO"). The Company believes that Core FFO provides enhanced comparability for investor evaluations of period-over-period results.

The Company believes that GAAP net income (loss) is the most directly comparable measure to FFO. The principal limitation of FFO is that it does not replace GAAP net income (loss) as a performance measure or GAAP cash flow from operations as a liquidity measure. Because FFO excludes significant economic components of GAAP net income (loss) including depreciation and amortization, FFO should be used as a supplement to GAAP net income (loss) and not as an alternative to it. Further, FFO is not intended as a measure of a REIT's ability to meet debt principal repayments and other cash requirements, nor as a measure of working capital. FFO is calculated in accordance with the Company's interpretation of standards established by NAREIT, which may not be comparable to FFO reported by other REITs that interpret the NAREIT definition differently.

NOI is derived from revenues minus property operating expenses and real estate taxes. NOI is a non-GAAP financial measure that the Company believes is helpful to investors as a supplemental measure of operating performance because it is an indicator of the return on property investment, and provides a method of comparing property performance over time. The Company uses NOI as a key measure when evaluating performance and growth of particular properties and/or groups of properties. The principal limitation of NOI is that it excludes depreciation, amortization, interest expense and non-property specific expenses such as general and administrative expenses, all of which are significant costs. Therefore, NOI is a measure of the operating performance of the properties of the Company rather than of the Company overall.

The Company believes that GAAP net income (loss) is the most directly comparable measure to NOI. NOI should not be considered to be an alternative to GAAP net income (loss) as an indication of the Company's financial performance or GAAP cash flow from operating activities as a measure of the Company's liquidity; nor is it indicative of funds available for the Company's cash needs, including its ability to make cash distributions. Because of the inclusion of items such as interest, depreciation, and amortization, the use of GAAP net income (loss) as a performance measure is limited as these items may not accurately reflect the actual change in market value of a property, in the case of depreciation and in the case of interest, may not necessarily be linked to the operating performance of a real estate asset, as it is often incurred at a parent company level and not at a property level.

EBITDA as defined by NAREIT (referred to as "EBITDAre") is calculated as GAAP net income (loss), plus interest expense, plus income tax expense, plus depreciation and amortization, plus or minus losses or gains on the disposition of depreciated property (including losses or gains on change of control), plus impairment write-downs of depreciated property and of investments in unconsolidated affiliates caused by a decrease in value of depreciated property in the affiliate, and adjustments to reflect the entity's share of EBITDAre of unconsolidated affiliates. EBITDAre is a non-GAAP financial measure that the Company uses to evaluate its ability to incur and service debt, fund dividends and other cash needs and cover fixed costs. Investors utilize EBITDAre as a supplemental measure to evaluate and compare investment quality and enterprise value of REITs. The Company also uses EBITDAre excluding certain gain and loss items that management considers unrelated to measurement of the Company's performance on a basis that is independent of capital structure ("Recurring EBITDA").

The Company believes that GAAP net income (loss) is the most directly comparable measure to EBITDAre. EBITDAre is not intended to be used as a measure of the Company's cash generated by operations or its dividend-paying capacity, and should therefore not replace GAAP net income (loss) as an indication of the Company's financial performance or GAAP cash flow from operating, investing and financing activities as measures of liquidity.

(2) The total value of \$314.6 million for acquisitions of operating properties during the three months ended June 30, 2018 was comprised of \$242.4 million of cash, \$15.4 million of equity, \$3.0 million of debt assumed, \$12.0 million of other liabilities, net, \$35.3 million of Preferred Interest Series A, and \$6.5 million of Preferred Interest Series B.

(3) Same Community results reflect constant currency for comparative purposes. Canadian currency figures in the prior comparative period have been translated at 2018 actual exchange rates.

(4) The Same Community occupancy percentage for 2018 is derived from 103,086 developed sites, of which 100,785 were occupied. The number of developed sites excludes RV transient sites and approximately 1,800 recently completed but vacant MH expansion sites. The Same Community occupancy percentage for 2017 has been adjusted to reflect incremental period-over-period growth from filled expansion sites and the conversion of transient RV sites to annual RV sites.

(5) This is a transferred asset transaction which has been classified as collateralized receivables and the cash received from this transaction has been classified as a secured borrowing. The interest income and interest expense accrue at the same rate and amount.

(6) Lines of credit includes the Company's MH floor plan facility. The effective interest rate on the MH floor plan facility was 7.0 percent for all periods presented. However, the Company pays no interest if the floor plan balance is repaid within 60 days.

(7) In January 2018, new accounting guidance became effective, which clarified the definition of a business with the objective of assisting entities in evaluating whether transactions should be accounted for as acquisitions of assets or businesses. Under previous guidance, substantially all of the

Company's property acquisitions were accounted for as business combinations with identifiable assets and liabilities measured at fair value, and acquisition related costs expensed as incurred and reported as Transaction costs. Under the new guidance, the Company expects that substantially all of its future property acquisitions will be accounted for as asset acquisitions. The purchase price of these properties are allocated on a relative fair value basis and direct acquisition related costs are capitalized as part of the purchase price. Acquisitions costs that do not meet the criteria for capitalization are expensed as incurred and reported as General and administrative costs.

(8) Other (expense) / income, net for the three and six months ended June 30, 2018 primarily includes a \$1.7 million foreign currency translation loss in addition to a \$0.1 million contingent liability remeasurement loss and a \$4.2 million foreign currency translation loss in addition to a \$0.2 million contingent liability remeasurement loss, respectively. Other (expense) / income, net for the three and six months ended June 30, 2017 primarily includes a \$2.2 million foreign currency translation gain offset by a \$0.8 million contingent liability remeasurement loss and a \$3.0 million foreign currency translation gain offset by a \$1.0 million contingent liability remeasurement loss, respectively.

(9) The effect of certain anti-dilutive convertible securities is excluded from these items.

(10) These costs represent the expenses incurred to bring recently acquired properties up to the Company's operating standards, including items such as tree trimming and painting costs that do not meet the Company's capitalization policy.

(11) Core FFO⁽¹⁾ includes an adjustment of \$0.3 million and \$0.7 million for the three and six months ended June 30, 2018 for estimated loss of earnings in excess of the applicable business interruption deductible in relation to our Florida Keys communities that require redevelopment due to damages sustained from Hurricane Irma in September 2017, as previously announced.

(12) The renter's monthly payment includes the site rent and an amount attributable to the home lease. Site rent is reflected in Real Property NOI. For purposes of management analysis, site rent is included in Rental Program revenue to evaluate the incremental revenue gains associated with implementation of the Rental Program, and to assess the overall growth and performance of the Rental Program and financial impact on the Company's operations.

(13) Same Community results net \$7.8 million and \$7.5 million of utility revenue against the related utility expense in property operating and maintenance expense for the three months ended June 30, 2018 and 2017, respectively and net \$15.7 million and \$15.1 million for the six months ended June 30, 2018 and 2017, respectively.

(14) Same Community supplies and repair expense excludes \$0.6 million and \$1.5 million for the three and six months ended June 30, 2017, respectively, of expenses incurred for recently acquired properties to bring the properties up to the Company's operating standards, including items such as tree trimming and painting costs that do not meet the Company's capitalization policy.

(15) Monthly base rent per site pertains to annual RV sites and excludes transient RV sites.

(16) Calculated using actual results without rounding.

(17) Acquisitions and other is comprised of sixteen properties acquired in 2018, nine properties acquired in 2017, three Florida Keys properties that require redevelopment as a result of damage sustained from Hurricane Irma in 2017, one property undergoing redevelopment, a recently opened ground-up development, one property that we have an interest in but do not operate, and other miscellaneous transactions and activity.

(18) Includes MH and annual RV sites, and excludes transient RV sites, as applicable. Total sites for development were comprised of approximately 74.0 percent for expansion, 21.0 percent for greenfield development and 5.0 percent for redevelopment.

(19) At June 30, 2018, total portfolio MH occupancy was 95.0 percent (including the impact of approximately 1,800 recently completed but vacant expansion sites) and annual RV occupancy was 100.0 percent.

(20) Recurring capital expenditures are necessary to maintain asset quality, including purchasing and replacing assets used to operate the community. These capital expenditures include items such as: major road, driveway, pool improvements; clubhouse renovations; adding or replacing street lights; playground equipment; signage; maintenance facilities; manager housing and property vehicles. The minimum capitalized amount is five hundred dollars.

(21) Lot modification capital expenditures improve the asset quality of the community. These costs are incurred when an existing older home moves out, and the site is prepared for a new home, more often than not, a multi-sectional home. These activities, which are mandated by strict manufacturer's installation requirements and state building code, include items such as new foundations, driveways, and utility upgrades.

(22) Capital expenditures related to acquisitions represent the purchase price of existing operating communities and land parcels to develop expansions or new communities. These costs for the six months ended June 30, 2018 include \$75.8 million of capital improvements identified during due diligence that are necessary to bring a community to the Company's standards. These include items such as: upgrading clubhouses; landscaping; new street light systems; new mail delivery systems; pool renovation including larger decks, heaters, and furniture; new maintenance facilities; and new signage including main signs and internal road signs. These are considered acquisition costs and although identified during due diligence, often require 24 to 36 months after closing to complete.

(23) Expansion and development expenditures consist primarily of construction costs and costs necessary to complete home site improvements.

(24) Capital costs related to revenue generating activities consist primarily of garages, sheds, sub-metering of water, sewer and electricity. Revenue generating attractions at our RV resorts are also included here and, occasionally, a special capital project requested by residents and accompanied by an extra rental increase will be classified as revenue producing.

(25) Net leased sites do not include occupied sites acquired during that year.

Certain financial information has been revised to reflect reclassifications in prior periods to conform to current period presentation.