

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

DATE OF REPORT: FEBRUARY 19, 2004
(Date of earliest event reported)

SUN COMMUNITIES, INC.
(Exact name of registrant as specified in its charter)

MARYLAND
(State of Organization)

COMMISSION FILE NO. 1-12616

38-2730780
(IRS Employer I.D. No.)

27777 FRANKLIN ROAD
SUITE 200
SOUTHFIELD, MICHIGAN 48034
(Address of principal executive offices)

(248) 208-2500
(Registrant's telephone number, including area code)

ITEM 5. OTHER EVENTS.

On February 19, 2004, Sun Communities, Inc. (the "Company") issued a press release announcing its financial results for the fourth quarter and fiscal year ended December 31, 2003 and certain other information.

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following information, including the Exhibit attached hereto, is furnished under "Item 12: Results of Operations and Financial Condition".

Attached and incorporated by reference as Exhibit 99.1 is a copy of the Company's press release dated February 19, 2004, announcing its financial results for the fourth quarter and fiscal year ended December 31, 2003.

The Company will hold an investor conference call and webcast at 11:00 a.m. EDT on February 19, 2004 to disclose and discuss the financial results for the fourth quarter and fiscal year ended December 31, 2003.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 19, 2004

SUN COMMUNITIES, INC.

By: /s/ Jeffrey P. Jorissen

Jeffrey P. Jorissen, Executive Vice President,
Treasurer, Chief Financial Officer,
and Secretary

SUN COMMUNITIES, INC.
EXHIBIT INDEX

Exhibit No.	Description	Furnished Herewith
99.1	Text of Press Release, dated February 19, 2004	X

FOR FURTHER INFORMATION:

AT THE COMPANY:

Jeffrey P. Jorissen
Chief Financial Officer
(248) 208-2500

FOR IMMEDIATE RELEASE

SUN COMMUNITIES, INC. REPORTS 2003 RESULTS

SOUTHFIELD, MI, FEBRUARY 19, 2004 - SUN COMMUNITIES, INC. (NYSE: SUI), a real estate investment trust (REIT) that owns and operates manufactured housing communities, today reported fourth quarter and year ended December 31, 2003 results.

Property operating revenues increased 6.1 percent to \$159.1 million for the year ended December 31, 2003 from \$149.9 for the year ended December 31, 2002. During the fourth quarter ended December 31, 2003, property operating revenues increased 7.6 percent to \$39.7 million, compared with \$36.9 million in the fourth quarter of 2002. Funds from operations (FFO)(1) of \$70.5 million for the year ended December 31, 2003 increased 1.9 percent, from \$69.2 million for the year ended December 31, 2002. On a diluted per share/OP Unit basis, FFO decreased to \$3.38 from \$3.40 in the prior year and to \$0.80 from \$0.84 for the three months ended December 31, 2003 and 2002, respectively. Net income for the fourth quarter of 2003 was \$6.4 million or \$0.34 per diluted common share, compared with \$(7.3) million, or \$(0.41) per diluted common share for the same period in 2002. Net income for the year ended December 31, 2003 was \$23.7 million or \$1.29 per diluted common share compared to \$13.6 million or \$0.76 per diluted common share during 2002. Net income for the year ended December 31, 2003 includes a net gain on property dispositions of \$3.7 million, while net income for the year ended December 31, 2002 includes a \$13.9 million charge resulting from the write-off of an investment. Operating results for the year and quarter ended December 31, 2003 reflect the consolidation of Sun Home Services, Inc in accordance with accounting pronouncements for variable interest entities.

For 105 communities owned throughout both years, total revenues increased 2.4 percent for the year ended December 31, 2003 and expenses increased 7.1 percent, resulting in an increase in net operating income (2) of 0.7 percent year over year. Same property occupancy in the manufactured housing sites decreased from 90.1 percent at September 30, 2003 to 89.1 percent at December 31, 2003.

"2003 was a challenging year marked by the liquidation of repossession inventories which has finally been approached realistically by lenders, the resultant increase in vacancies, and much higher expense growth in our portfolio than we have been accustomed to," said Gary Shiffman, Chairman and CEO.

February 19, 2004

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"There is every reason to expect that these events are largely behind us (and the industry) now and that 2004 is the year of linkage between the bad news of the past and the good news of the future," Shiffman added.

During the year ended December 31, 2003, the Company experienced a net loss of 849 revenue producing manufactured housing sites or 2.5 percent. This net loss of sites was substantially concentrated in 33 communities, or only one quarter of our portfolio, primarily resulting from the expiration of more than 200 manufacturer/dealer leases with most of the remaining occupancy loss resulting from repossessions of homes by lenders. Industry expectations are for a substantial reduction in the number of repossessions in 2004. In addition, the Company sold 540 homes and brokered 626 resales of homes.

The Company closed on the sale of four properties during 2003 realizing proceeds of approximately \$24.8 million. The properties were located in Michigan and Illinois and comprised 731 sites of which 659 or 90 percent were occupied. Also during 2003, the Company acquired a property located in East Lansing, MI for approximately \$4.5 million, of which \$2.3 million was cash and \$2.3 million was debt. When fully developed, the community will consist of 242 sites.

The Company has entered into an agreement with certain affiliates of Property Asset Management Inc. ("PAMI") to acquire all of the equity interests in partnerships that directly and indirectly own and operate 19 properties and entered into a real estate purchase agreement to acquire 7 other properties. The properties are recreational vehicle communities, some of which include manufactured home sites. The portfolio consists of 11,331 sites, including 10,586 developed sites and 745 expansion recreational vehicle sites. Completion of the purchases is subject to customary closing conditions. These acquisitions were not included in our 2004 guidance that we released on January 28, 2004.

PAMI, the seller under the purchase agreements, is the sole general partner and owns a substantial majority of the equity interests in the partnerships that own the properties subject to the purchase agreements. PAMI has exercised its rights under the relevant partnership agreements to acquire the equity interests of its minority partner. PAMI has informed us that its minority partner has disputed PAMI's rights to purchase its interests under the partnership agreements. As a result, PAMI has filed suit in the Delaware Chancery Court requesting, among other things, that the court specifically enforce PAMI's right to purchase the minority interests. The minority partner in the partnerships has filed an answer and counterclaim in the case requesting that the court find that the minority partner has the right to buy PAMI's interests under the partnership agreements.

PAMI believes that it will be successful in the litigation and we expect to complete the acquisition of the partnership interests and properties. However, due to the uncertain nature of litigation and the other conditions to closing, we can provide no assurance that we will be able to successfully complete the proposed acquisitions and cannot reliably predict the timing of the resolution of these matters.

A conference call to discuss fourth quarter operating results will be held on February 19, 2004 at 11:00 A.M. EST. To participate, call toll-free 877-407-9039. Callers outside the U.S. or Canada can access the call at 201-689-8359. A replay will be available following the call through March 4, 2004 and can be accessed by dialing 877-660-6853 from the U.S. or 201-612-7415 outside the U.S. or Canada. The account number for the reply is 3055 and the ID number is 86133. The conference call will be available live on Sun Communities website www.suncommunities.com. Replay will also be available on the website.

Sun Communities currently owns and operates a portfolio of 127 communities mainly in the Midwest and Southeast United States. The Company's properties are comprised of over 43,870 developed sites and approximately 6,750 additional sites available for development.

- (1) Funds From Operations ("FFO") is defined by the National Association of Real Estate Investment Trusts ("NAREIT") as "net income (computed in accordance with GAAP), excluding gains (or losses) from sales of property, plus rental property depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures." Industry analysts consider FFO to be an appropriate supplemental measure of the operating performance of an equity REIT primarily because the computation of FFO excludes historical cost depreciation as an expense and thereby facilitates the comparison of REITs, which have different cost bases on their assets. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time, whereas real estate values have instead historically risen or fallen based upon market conditions. FFO does not represent cash flow from operations as defined by GAAP and is a supplemental measure of performance that does not replace net income as a measure of performance or net cash provided by operating activities as a measure of liquidity. In addition, 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. A reconciliation of net income to FFO is provided in the financial statement section of this press release.
- (2) Investors in and analysts following the real estate industry utilize net operating income ("NOI") as a supplemental performance measure. NOI provides a measure of rental operations and does not factor in depreciation/amortization and non-property specific expenses such as general and administrative expenses. NOI is defined as income from property of the Company, minus property expenses such as real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses. NOI does not represent cash generated from operating activities in accordance with GAAP and is not necessarily indicative of cash available to fund cash needs, including the repayment of principal on debt and payment of dividends and distributions. NOI should not be considered as a substitute for net income (calculated in accordance with GAAP) as a measure of results of operations or cash flows (calculated in accordance with GAAP) as a measure of liquidity.

FOR MORE INFORMATION ABOUT SUN COMMUNITIES, INC.,
VISIT OUR WEBSITE AT WWW.SUNCOMMUNITIES.COM
-FINANCIAL TABLES FOLLOW-

This press release contains various "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, and the Company intends that such forward-looking statements will be subject to the safe harbors created thereby. For this purpose, any statements contained in this press release that relate to prospective events or developments are deemed to be forward-looking statements. Words such as "believes," "forecasts," "anticipates," "intends," "plans," "expects," "will" and similar expressions are intended to identify forward-looking statements. These forward-looking statements reflect the Company's 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 press release. These risks and uncertainties 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 the national, regional and local economic climates, the ability to maintain rental rates and occupancy levels, competitive market forces, changes in market rates of interest, the ability of manufactured home buyers to obtain financing, the level of repossessions by manufactured home lenders and those referenced under the headings entitled "Factors That May Affect Future Results" or "Risk Factors" contained in the Company's filings with the Securities and Exchange Commission. 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 expectations of future events.

SUN COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED DECEMBER 31, 2003 AND 2002
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS) (UNAUDITED)

	THREE MONTHS ENDED DECEMBER 31,		TWELVE MONTHS ENDED DECEMBER 31,	
	2003	2002	2003	2002
RENTAL PROPERTY OPERATIONS:				
Rental property operating revenues	\$ 39,650	\$ 36,902	\$ 159,115	\$ 149,875
Property operating and maintenance	(10,197)	(8,981)	(39,837)	(33,751)
Real estate taxes	(2,941)	(2,760)	(11,746)	(10,217)
Property operating expenses	(13,138)	(11,741)	(51,583)	(43,968)
Income from rental property operations	26,512	25,161	107,532	105,907
HOME MARKETING OPERATIONS:				
Revenues from home sales	5,443	-	19,516	-
Cost of home sales	(4,411)	-	(13,879)	-
Gross profit	1,032	-	5,637	-
Selling, general and administrative	(1,956)	-	(7,645)	-
Ancillary revenue, net	1,538	-	3,409	-
Income from home sales operations	614	-	1,401	-
OTHER INCOME AND EXPENSES:				
Interest and other income	2,203	3,100	12,030	10,294
General and administrative	(3,078)	(2,266)	(10,536)	(7,722)
Depreciation and amortization	(11,634)	(10,240)	(44,120)	(37,900)
Equity income (loss) from affiliates	667	(13,988)	667	(16,627)
Interest expense	(9,996)	(8,541)	(36,680)	(32,375)
Total other income and expenses	(21,838)	(31,935)	(78,639)	(84,330)
Income from operations	5,288	(6,774)	30,294	21,577
Less income (loss) allocated to minority interests:				
Preferred OP Units	2,140	1,986	8,537	7,803
Common OP Units	799	(1,100)	3,083	1,802
Income from continuing operations	2,349	(7,660)	18,674	11,972
Income from discontinued operations	4,062	334	5,040	1,620
Net income (loss)	6,411	(7,326)	23,714	13,592
Weighted average common shares outstanding:				
Basic	18,628	17,777	18,206	17,595
Diluted	18,771	17,904	18,345	17,781
Basic earnings per share:				
Continuing operations	\$ 0.13	\$ (0.43)	\$ 1.02	\$ 0.68
Discontinued operations	\$ 0.21	\$ 0.02	\$ 0.28	\$ 0.09
Net income	\$ 0.34	\$ (0.41)	\$ 1.30	\$ 0.77
Diluted earnings per share:				
Continuing operations	\$ 0.13	\$ (0.43)	\$ 1.02	\$ 0.67
Discontinued operations	\$ 0.22	\$ 0.02	\$ 0.27	\$ 0.09
Net income	\$ 0.34	\$ (0.41)	\$ 1.29	\$ 0.76

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SUN COMMUNITIES, INC.
RECONCILIATION OF NET INCOME TO FUNDS FROM OPERATIONS
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE/OP UNIT AMOUNTS) (UNAUDITED)

	THREE MONTHS ENDED DECEMBER 31,		TWELVE MONTHS ENDED DECEMBER 31,	
	2003	2002	2003	2002
Net income	\$ 6,411	\$ (7,326)	\$ 23,714	\$ 13,592
Adjustments:				
Depreciation and amortization	11,641	10,349	43,458	38,262
Valuation adjustment(3)	395	(38)	(879)	449
Allocation of SunChamp losses(4)	1,390	1,315	4,548	1,315
Reduction in book value of investment	--	13,881	--	13,881
Income allocated to common minority interests	854	(1,052)	3,274	2,003
Gain on sale of properties, net	(3,658)	--	(3,658)	(269)
Funds from operations (FFO)	\$ 17,033	\$ 17,129	\$ 70,457	\$ 69,233
FFO - Continuing Operations	\$ 16,651	\$ 16,591	\$ 68,537	\$ 67,055
FFO - Discontinued Operations	\$ 382	\$ 538	\$ 1,920	\$ 2,178
Weighted average common shares/OP Units outstanding:				
Basic	21,111	20,329	20,717	20,177
Diluted	21,254	20,456	20,856	20,363
Continuing Operations:				
FFO per weighted average Common Share/OP Unit - Basic	\$ 0.79	\$ 0.81	\$ 3.31	\$ 3.32
FFO per weighted average Common Share/OP Unit - Diluted	\$ 0.78	\$ 0.81	\$ 3.29	\$ 3.29
Discontinued Operations:				
FFO per weighted average Common Share/OP Unit - Basic	\$ 0.02	\$ 0.03	\$ 0.09	\$ 0.11
FFO per weighted average Common Share/OP Unit - Diluted	\$ 0.02	\$ 0.03	\$ 0.09	\$ 0.11
Total Operations:				
FFO per weighted average Common Share/OP Unit - Basic	\$ 0.81	\$ 0.84	\$ 3.40	\$ 3.43
FFO per weighted average Common Share/OP Unit - Diluted	\$ 0.80	\$ 0.84	\$ 3.38	\$ 3.40

(3) The Company entered into three interest rate swaps and an interest rate cap agreement. The valuation adjustment reflects the theoretical noncash profit and loss were those hedging transactions terminated at the balance sheet date. As the Company has no expectation of terminating the transactions prior to maturity, the net of these noncash valuation adjustments will be zero at the various maturities. As any imperfections related to hedging correlation in these swaps is reflected currently in cash as interest, the valuation adjustments are excluded from Funds From Operations. The valuation adjustment is included in interest expense.

(4) The Company acquired the equity interest of another investor in SunChamp in December 2002. Consideration consisted of a long-term note payable at net book value. Although the adjustment for the allocation of the SunChamp losses (based on SunChamp as a stand-alone entity) is not reflected in the

accompanying financial statements, management believes that it is appropriate to provide for this adjustment because the Company's payment obligations with respect to the note are subordinate in all respects to the return of the members' equity (including the gross book value of the acquired equity) plus a preferred return. As a result, the losses that are allocated to the Company from SunChamp as a stand-alone entity under generally accepted accounting principles are effectively reallocated to the note for purposes of calculating Funds from Operations. At December 31, 2003, the remaining balance on the SunChamp note is approximately \$0.3 million.

SUN COMMUNITIES, INC.
 SELECTED BALANCE SHEET DATA
 (AMOUNTS IN THOUSANDS) (UNAUDITED)

	DECEMBER 31, 2003	DECEMBER 31, 2002
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Investment in rental property before accumulated depreciation	\$ 1,220,405	\$ 1,174,837
Total assets	\$ 1,221,574	\$ 1,163,976
Total debt	\$ 773,328	\$ 721,351
Total minority interests and stockholders' equity	\$ 423,413	\$ 418,044

SUN COMMUNITIES, INC.
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE PERIODS ENDED DECEMBER 31, 2003 AND 2002
 (AMOUNTS IN THOUSANDS) (UNAUDITED)

	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	DECEMBER 31,		DECEMBER 31,	
	2003	2002	2003	2002
	-----	-----	-----	-----
Net income (loss)	\$ 6,411	\$ (7,326)	\$ 23,714	\$ 13,592
Unrealized income (loss) on interest rate swaps	904	(506)	557	(1,851)
Comprehensive income (loss)	\$ 7,315	\$ (7,832)	\$ 24,271	\$ 11,741
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