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: September 19, 2018
(Date of earliest event reported)

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

Maryland	**1-12616**	**38-2730780**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

27777 Franklin Rd. Suite 200 Southfield, Michigan	**48034**
(Address of Principal Executive Offices)	(Zip Code)

248 208-2500

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter):

[ ] Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to section to Section 13(a) of the Exchange Act. [ ]

Item 7.01 Regulation FD Disclosure

Attached as Exhibit 99.1, and incorporated by reference, to this report is an investor presentation of Sun Communities, Inc. that will be made available to investors beginning on September 19, 2018. The presentation also will be posted on Sun Communities, Inc.'s website, www.suncommunities.com, on September 19, 2018.

The information contained in this Item 7.01 on Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed to be “filed” for purposes of the Securities Exchange Act of 1934, as amended.

This report 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 we intend that such forward-looking statements will be subject to the safe harbors created thereby. For this purpose, any statements contained in this filing that relate to expectations, beliefs, projections, future plans and strategies, trends or prospective events or developments and similar expressions concerning matters that are not historical facts are deemed to be forward-looking statements. Words such as “forecasts,” “intends,” “intend,” “intended,” “goal,” “estimate,” “estimates,” “expects,” “expect,” “expected,” “project,” “projected,” “projections,” “plans,” “predicts,” “potential,” “seeks,” “anticipates,” “anticipated,” “should,” “could,” “may,” “will,” “designed to,” “foreseeable future,” “believe,” “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 filing. These risks and uncertainties may cause our actual results to be materially different from any future results expressed or implied by such forward-looking statements. In addition to the risks disclosed under “Risk Factors” contained in our Annual Report on Form 10-K for the year ended December 31, 2017 and our other filings with the SEC from time to time, such risks and uncertainties include but are not limited to:

- 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, 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;
- changes in foreign currency exchange rates, including between the U.S. dollar and Canadian dollar;
- 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 such as hurricanes, earthquakes, floods, and wildfires;
- 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 statements included in this filing, 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.

Item 9.01 Financial Statements and Exhibits

(d) *Exhibits.*

99.1 Investor Presentation

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.

SUN COMMUNITIES, INC.

Dated: September 19, 2018	By:	/s/ Karen J. Dearing
		Karen J. Dearing, Executive Vice President, Chief Financial Officer, Secretary and Treasurer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Investor Presentation

Moab Valley RV Resort – Moab, UT (acquired June 13, 2018)

INVESTOR PRESENTATION

SEPTEMBER 2018

Sun Communities, Inc.

FORWARD-LOOKING STATEMENTS

This presentation has been prepared for informational purposes only from information supplied by Sun Communities, Inc. (the "Company" or "Sun") and from third-party sources indicated herein. Such third-party information has not been independently verified. The Company makes no representation or warranty, expressed or implied, as to the accuracy or completeness of such information.

This presentation contains various "forward-looking statements" within the meaning of the United States Securities Act of 1933, as amended, and the United States Securities Exchange Act of 1934, as amended, 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 presentation that relate to expectations, beliefs, projections, future plans and strategies, trends or prospective events or developments and similar expressions concerning matters that are not historical facts are deemed to be forward-looking statements. Words such as "forecasts," "intends," "intend," "intended," "goal," "estimate," "estimates," "expects," "expect," "expected," "project," "projected," "projections," "plans," "predicts," "potential," "seeks," "anticipates," "anticipated," "should," "could," "may," "will," "designed to," "foreseeable future," "believe," "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 presentation. These risks and uncertainties may cause our actual results to be materially different from any future results expressed or implied by such forward-looking statements. In addition to the risks disclosed under "Risk Factors" contained in our Annual Report on Form 10-K for the year ended December 31, 2017, and our other filings with the Securities and Exchange Commission from time to time, such risks and uncertainties include but are not limited to:

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- our ability to obtain or refinance maturing debt;
- our ability to maintain compliance with covenants contained in our debt facilities;
- availability of capital;
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- 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 such as hurricanes, earthquakes, floods and wildfires;
- 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;
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- the level of repossessions by manufactured home lenders.

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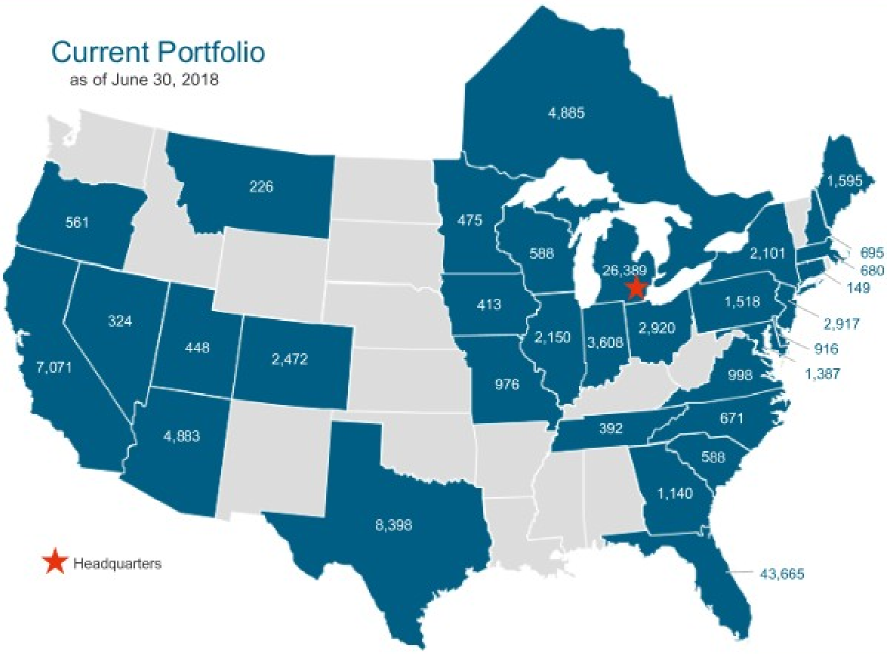
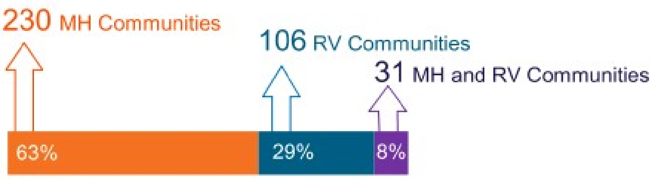
SUN COMMUNITIES, INC. (NYSE: SUI) OVERVIEW

Current Portfolio
as of June 30, 2018

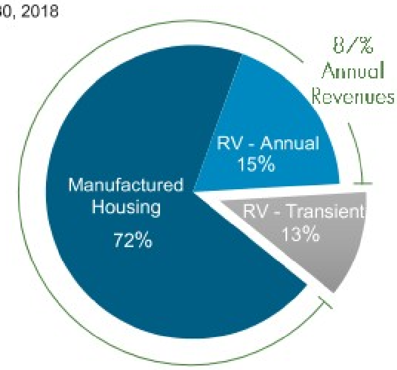


367 communities consisting of over 126,000 sites across 31 states and Ontario, Canada



32% Age restricted sites
68% All age sites

Trailing Twelve Months Rental Revenue
as of June 30, 2018



Source: Company information. Refer to Sun Communities, Inc. Form 10-Q and Supplemental for the quarter ended June 30, 2018 as well as Press Releases after June 30, 2018 for additional information.

Operating and Financial Highlights

Financial Performance

	Quarter Ended June 30, 2018	Quarter Ended June 30, 2017	% Change	YTD Ended June 30, 2018	YTD Ended June 30, 2017	% Change
Total Portfolio Revenue	$271.4mm	$237.9mm	14.1%	$529.3mm	$472.3mm	12.1%
Total Portfolio NOI	$148.1mm	$131.2mm	12.9%	$297.2mm	$269.0mm	10.5%
Same Community Revenue	$181.2mm	$170.4mm	6.3%	$366.3mm	$345.7mm	6.0%
Same Community NOI	$122.1mm	$114.0mm	7.2%	$252.1mm	$237.4mm	6.2%
EPS[1]	$0.25	$0.16	56.3%	$0.63	$0.45	40.0%
Core FFO / Share[1,2]	$1.07	$0.96	11.5%	$2.21	$2.06	7.3%

Operating Highlights

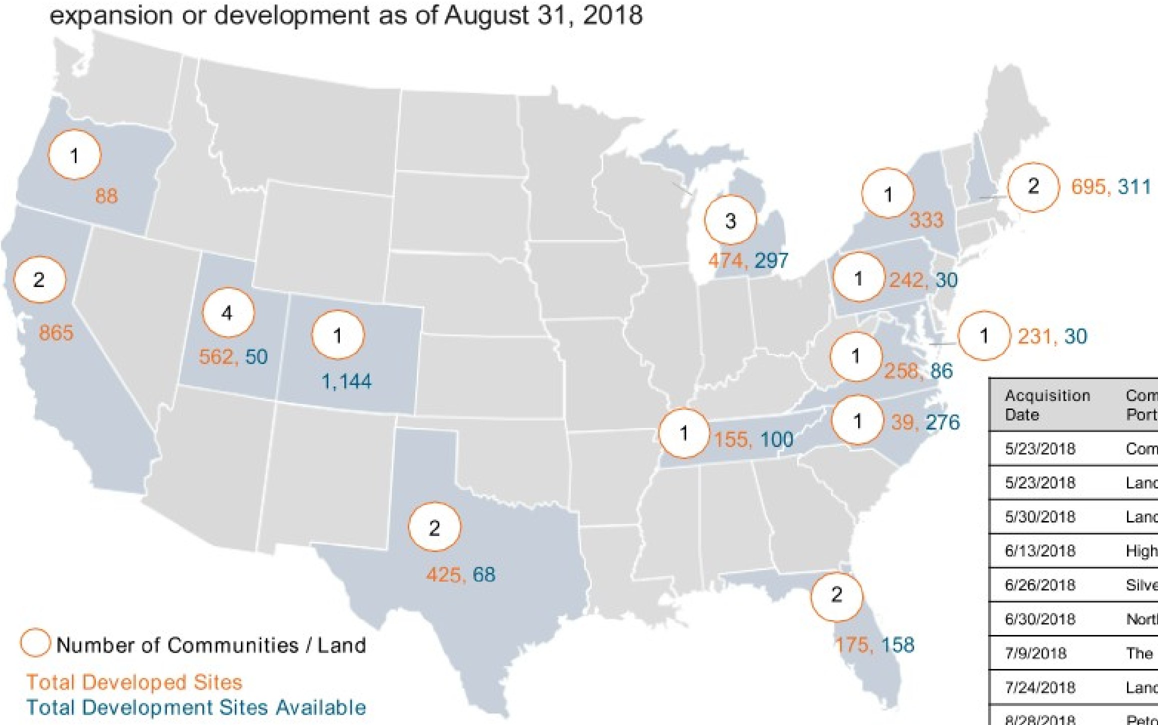
- Increased revenue producing sites by 634 sites during 2Q 2018 and 1,250 YTD
- Sold 943 total homes in 2Q 2018, which is a 17.7% increase over 2Q 2017, and 1,780 total homes YTD, a 9.4% increase
- Sold 134 new homes in 2Q 2018, which is a 65.4% increase over 2Q 2017, and 240 new homes YTD, a 53% increase
- Delivered 130 vacant expansion sites in 3 communities during 2Q 2018, bringing deliveries YTD to 376 sites

SUN
Sun Communities, Inc.

Source: Company information. Refer to Sun Communities, Inc. Form 10-Q and Supplemental for the quarter ended June 30, 2018 as well as Press Releases after June 30, 2018 for additional information. Refer to information regarding non-GAAP financial measures in the attached Appendix.
1 Company information. Diluted.
2 Based on fully diluted shares of 80.116 million and 75.154 million for 2Q 2018 and 2Q 2017, respectively.

2018 YTD ACQUISITIONS

- Acquired 20 communities and 3 land parcels in 14 states with ~4,500 developed sites and ~2,500 additional sites for expansion or development as of August 31, 2018



Acquisition Date	Community / Portfolio Name	Total Value (mm)
5/23/2018	Compass RV Resort	$14.0
5/23/2018	Land (Granby)	$5.3
5/30/2018	Land (Apple Carr)	$0.3
6/13/2018	Highway West Portfolio	$36.5
6/26/2018	Silver Creek RV Resort	$7.3
6/30/2018	Northgate (Sun NG Resorts)[1]	$256.8
7/9/2018	The Sands RV Resort	$14.3
7/24/2018	Land (Pecan Park)	$1.3
8/28/2018	Petoskey RV Resort	$9.0
8/30/2018	Archview	$14.5
Total YTD Acquisitions		$359.3

Source: Company information. Refer to Sun Communities, Inc. Form 10-Q and Supplemental for the quarter ended June 30, 2018 as well as Press Releases after June 30, 2018 for additional information. Refer to information regarding non-GAAP financial measures in the attached Appendix.
1 Purchased an 80% equity interest in Sun NG RV Resorts

POWERING SUN'S GROWTH ENGINE

- Sun is the premier owner and operator of manufactured home ("MH") and recreational vehicle ("RV") communities
- Strong cycle-tested record of operating, expanding and acquiring MH and RV communities dating back to 1975

INTERNAL

Contractual Rent Increases

- Weighted average monthly rent has historically increased by 2-4% annually
- 2Q 2018 weighted average monthly rent increase of 4.0%

MH Occupancy Gains

- 2Q 2018 MH occupancy of 95.0%
- 136 communities are 98%+ occupied
- Expect additional 300 bps of occupancy gains across MH portfolio to reach 98%

Expansions

- Delivered 130 expansion sites in 2Q 2018, 376 expansion sites YTD
- Expected to deliver an additional ~1,000 expansion sites in 13 communities in 2018
- ~7,400 sites available for expansion post-2018

Transient Conversions

- ~19,000 transient RV sites in portfolio, a portion of which can be converted to annual leases over time
- 219 total conversions in 2Q 2018 and 514 total conversions YTD
- Conversions have historically increased revenues / site by 40-60% for the first full year after conversion

EXTERNAL

Acquisitions

- 2015-2017 historical average of ~$150mm in single asset and small portfolio acquisitions
- Investment in ~$352.4mm of operating properties YTD
- High degree of visibility into acquisition pipeline

Development

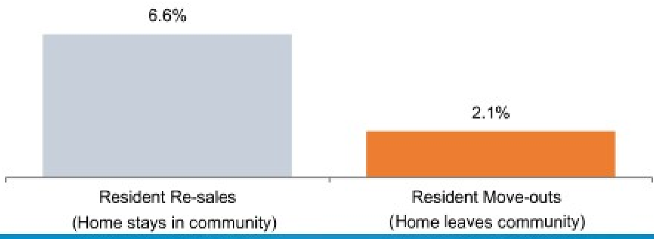
- 2-3 greenfield development starts per year
- Targeting high single digit IRRs
- Projects underway in California, South Carolina, North Carolina and Colorado totaling ~2,400 sites

Source: Company information. Refer to Sun Communities, Inc. Form 10-Q and Supplemental for the quarter ended June 30, 2018 as well as Press Releases after June 30, 2018 for additional information.

SUN'S FAVORABLE REVENUE DRIVERS

- The average cost to move a home ranges from $4K-$10K, resulting in low move-out of homes
- Tenure of homes in our communities is 48[1] years
- Tenure of residents in our communities is approximately 12[1] years

Resident Move-out Trends[1]

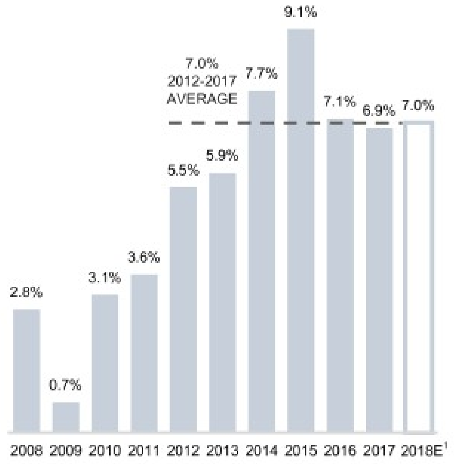


SUN
SUN COMMUNITIES, INC.

Source: Company information. Refer to Sun Communities, Inc. Form 10-Q and Supplemental for the quarter ended June 30, 2018 as well as Press Releases after June 30, 2018 for additional information.
Refer to information regarding non-GAAP financial measures in the attached Appendix.
1 Three year average.

Strong Same Community Performance

NOI Growth Percentage

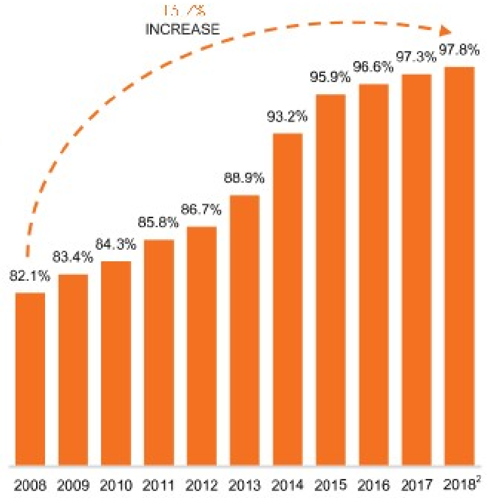


- Positive NOI growth for 18 consecutive years
- Low-annual resident turnover results in stability of income and occupancy

Manufactured Home Weighted Average Monthly Rent per Site

- Strong and consistent rental rate growth creates a stable revenue stream that is recession-resistant

Occupancy Percentage



- Occupancy gains are a function of Sun's integrated platform, which includes: leasing, sales, and financing

Source: Company information. Refer to Sun Communities, Inc. Form 10-Q and Supplemental for the quarter ended June 30, 2018 as well as Press Releases after June 30, 2018 for additional information. Refer to information regarding non-GAAP financial measures in the attached Appendix.

Note: Same community pool of assets changes annually. Same community pools included 135 communities in 2008, 231 communities in 2017 and includes 336 communities in 2018.

1 Mid-point of 2018 expected same community year over year growth.

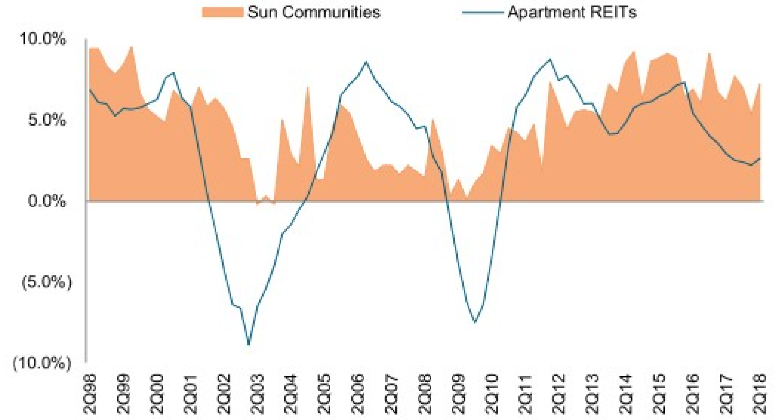
2 Weighted average monthly rent per site and Occupancy as of December 31 for 2008-2017 and as of June 30, for 2018.

Consistent and Cycle Tested Internal Growth

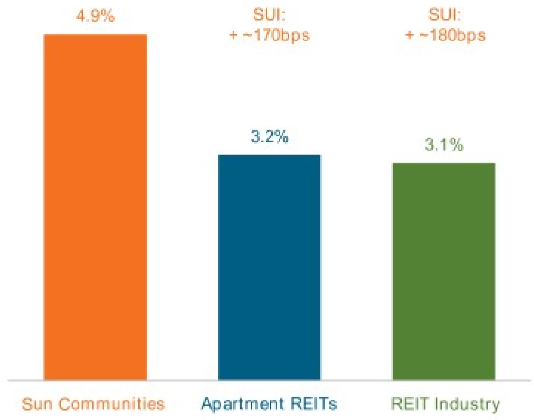
- Sun's average same community NOI growth has exceeded REIT industry average by ~180 bps and the apartment sector's average by ~170 bps since 1998
- Every individual year or rolling 4-quarter period has positive same community NOI growth

Same Community NOI Growth

Annual Growth Since 1998



Average Annual Growth Since 1998



Source: Citi Investment research, June 2018. *"REIT Industry Average" includes an index of REITs across a variety of asset classes including: self storage; mixed office;* regional malls; shopping centers; apartments; student housing; manufactured homes and specialty. Refer to information regarding non-GAAP financial measures of the attached Appendix.

Manufactured Housing VS. Multifamily

- Sun's manufactured homes provide nearly 15% more space at ~30% less cost per square foot

Sun's Manufactured Homes	VS.	Multifamily Housing
$0.74[1] per sq. ft.	PRICE	$1.06[2] per sq. ft.
1,250[1] sq. ft.	SQUARE FOOTAGE	1,100[2] sq. ft.
$927[1] per month	RENT	$1,170[2] per month

1 Source: Company information.
2 Source: The RentPath Network. Represents average rent for a 2 bedroom apartment in major metropolitan areas Sun operates in adjusted for inflation as of June, 2018.

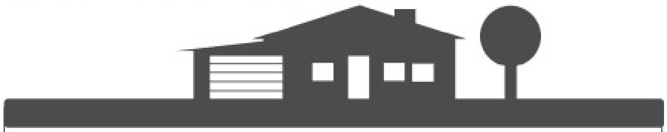
Manufactured Housing VS. Single Family

- Sun's communities offer affordable options in attractive locations

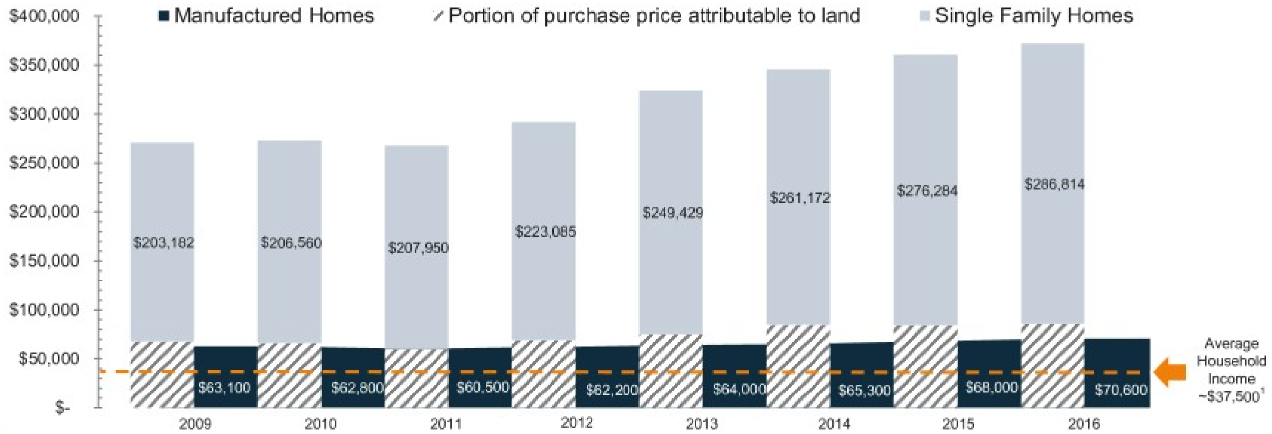
Manufactured Homes

✓ Average cost of a new Manufactured Home is $70,600 or roughly 2 years median income

Single Family Homes



✓ Average cost of Single Family is $286,814 or roughly 8 years median income



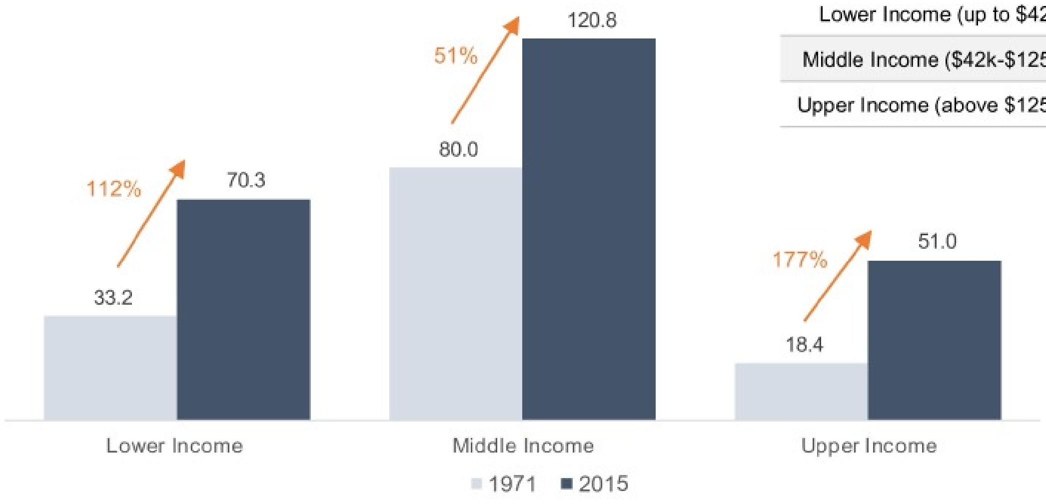
SUN
Sun Communities, Inc.

Source: Manufactured Housing Institute, Quick Facts: "*Trends* and Information About the Manufactured Housing Industry, 2017."
1 Historical average from Sun community applications.

THE INCREASING NEED FOR AFFORDABLE HOMEOWNERSHIP

- Widening gap in income distribution trends has resulted in increased demand for affordable home ownership and rental properties
- Percentage of the US population in the Lower Income bracket has increased by 4% to 29% of the total adult population over a ~45 year period

Number of Adults by Income Tier
(in millions)



% of Adult Population by Income Tier

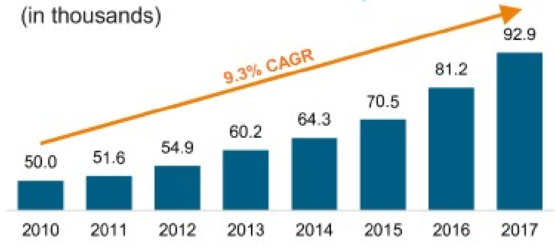
	1971	2015
Lower Income (up to $42k)[1]	25%	29%
Middle Income ($42k-$125k)[1]	61%	50%
Upper Income (above $125k)[1]	14%	21%

Source: Pew Research as of 2015
1 In 2015 dollars

MH AND RV MANUFACTURING BUSINESSES INCREASING SHIPMENTS

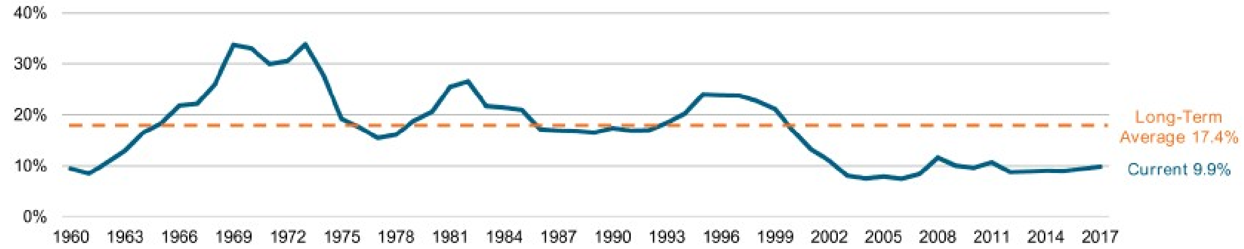
- The demand for affordable homeownership and vacationing is reflected in the increased output from MH and RV manufacturers
- Current yearly MH shipments as a percentage of single family starts are significantly below long-term averages

Manufactured Home Shipments
(in thousands)



Recreational Vehicle Shipments
(in thousands)

Manufactured Home Shipments as Percentage of Single Family Starts



SUN COMMUNITIES, INC.

Source: RVIA Business Indicators, December 2017; Manufactured Housing *Institute's* Monthly Economic Reports as of 2017, US Census Bureau

EXPANSIONS PROVIDE STRONG GROWTH AND ATTRACTIVE RETURNS

- At the start of 2018, inventory of ~7,900 zoned and entitled sites available for expansion at ~60 properties in 16 states and Ontario, Canada
- 130 sites were delivered at 3 communities during the second quarter of 2018, bringing YTD expansion site deliveries to 376 in 5 communities
- A 100-site expansion at a $35,000 cost per site, is expected to lease up between 12-24 months, results in a 5-year unlevered IRR of 12% - 14%
- Expansion in communities with strong demand evidenced by occupancies >96% and continued strong demand

Source: Company information. Refer to Sun Communities, Inc. Form 10-Q and Supplemental for the quarter ended June 30, 2018 as well as Press Releases after June 30, 2018 for additional information.

Expansion Opportunities Supported by Rental Program

- Sun's rental program is a key onboarding and conversion tool for our communities

Rental Program All-in 5-Year Unlevered IRR

- $42,000 initial investment in new home
- Weighted average monthly rental rate ~$900 x 12 = $10,800 (3% annual increases)
- Monthly operating expenses[1] +1 month vacancy factor $275 x 12 = $3,300 (3% annual increases)
- End of 5-year period sell the home and recoup 90% of original invoice price
- All-in 5-year unlevered IRR in the high teens

Source: Company information. Refer to Sun Communities, Inc. Form 10-Q and Supplemental for the quarter ended June 30, 2018 as well as Press Releases after June 30, 2018 for additional information.
1 Operating expenses include repairs and refurbishment, taxes and insurance, marketing, and commissions.

HOW DOES A TRANSIENT RV SITE CONVERT TO AN ANNUAL RV SITE?

- Transient RV site conversions to annual leases have historically increased revenue per site by 40% - 60% for the first full year after conversion
- Recent example from Lake San Marino in Naples, FL

Transient Site

$30.92 ADR	40.4% Occupancy	$380 Monthly Rent	$4,560 Annual Rent

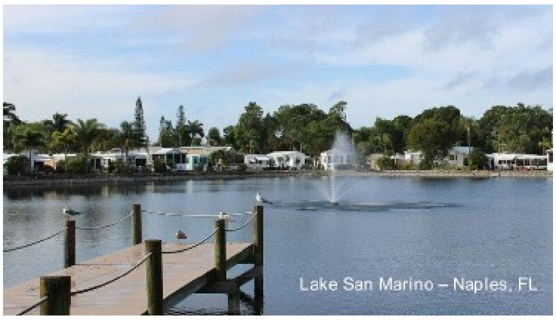
- Site revenue limited mainly to peak season months during the winter for this resort

Annual Site Conversion

$18.90 ADR	100% Occupancy	$575 Monthly Rent	$6,900 Annual Rent

Site Revenue Growth Increase

$2,340 Additional Annual Rent	51% Site Revenue Growth


Lake San Marino – Naples, FL


Lake San Marino – Naples, FL

Source: Company information.

EXTRACTING VALUE FROM STRATEGIC ACQUISITIONS

Year-end Communities and Sites

- Since May 2011, Sun has acquired communities valued in excess of $4.8 billion, increasing its number of sites and communities by ~185%[1]

2011	2012	2013	2014	2015	2016	2017	2018 YTD
159 communities 54,811 sites	173 communities 63,697 sites	188 communities 69,789 sites	217 communities 79,554 sites	231 communities 88,612 sites	341 communities 117,376 sites	350 communities 121,892 sites	367 communities 126,199 sites

SUN COMMUNITIES, INC.

Source: Company information. Refer to Sun Communities, Inc. Form 10-K and Supplemental for the period ended December 31st for the respective year as well as Sun Communities, Inc. Form 10-Q and Supplemental for the period ended June 30, 2018 for additional information.

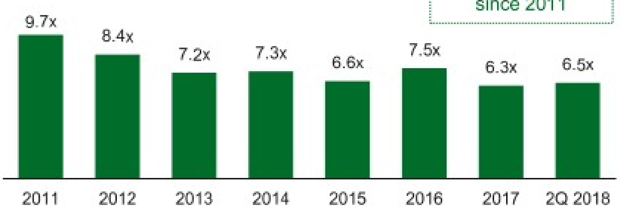
1 Includes 30 community dispositions realized in 2014 and 2015.

STRATEGIC BALANCE SHEET

- Balance sheet supports growth strategy
- Sun's annual mortgage maturities average 3.2% from 2018 - 2022

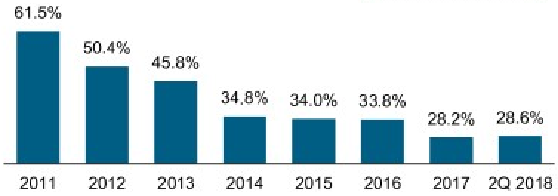
Net Debt / EBITDA[1]

Reduced leverage by 3.2x since 2011



Net Debt / TEV[2]

~33% reduction since 2011



Mortgage Debt Outstanding

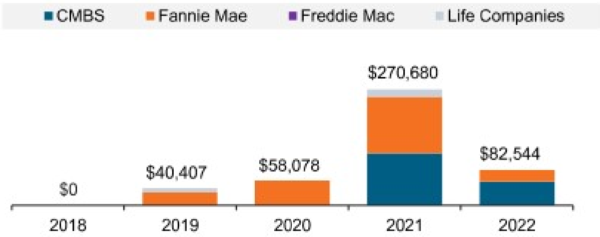
principal amounts in thousands

Quarter Ended June 30, 2018

	Principal Outstanding[3]	WA Interest Rates
CMBS	$409,495	5.10%
Fannie Mae	$811,209	4.47%
Life Companies	$1,032,616	3.93%
Freddie Mac	$383,527	3.86%
Total	$2,636,847	4.27%

Mortgage Debt 5-Year Maturity Ladder

amounts in thousands



Source: Company information. Refer to Sun Communities, Inc. Form 10-Q and Supplemental for the quarter ended June 30, 2018 as well as Press Releases after June 30, 2018 for additional information.
1 The debt ratios are calculated using trailing 12 months recurring EBITDA for the period ended June 30, 2018. Refer to information regarding non-GAAP financial measures in the attached Appendix.
2 Total Enterprise Value includes common shares outstanding (per Supplemental), OP Units and Preferred OP Units, as converted, outstanding at the end of each respective period.
3 Includes premium / discount on debt and financing costs.

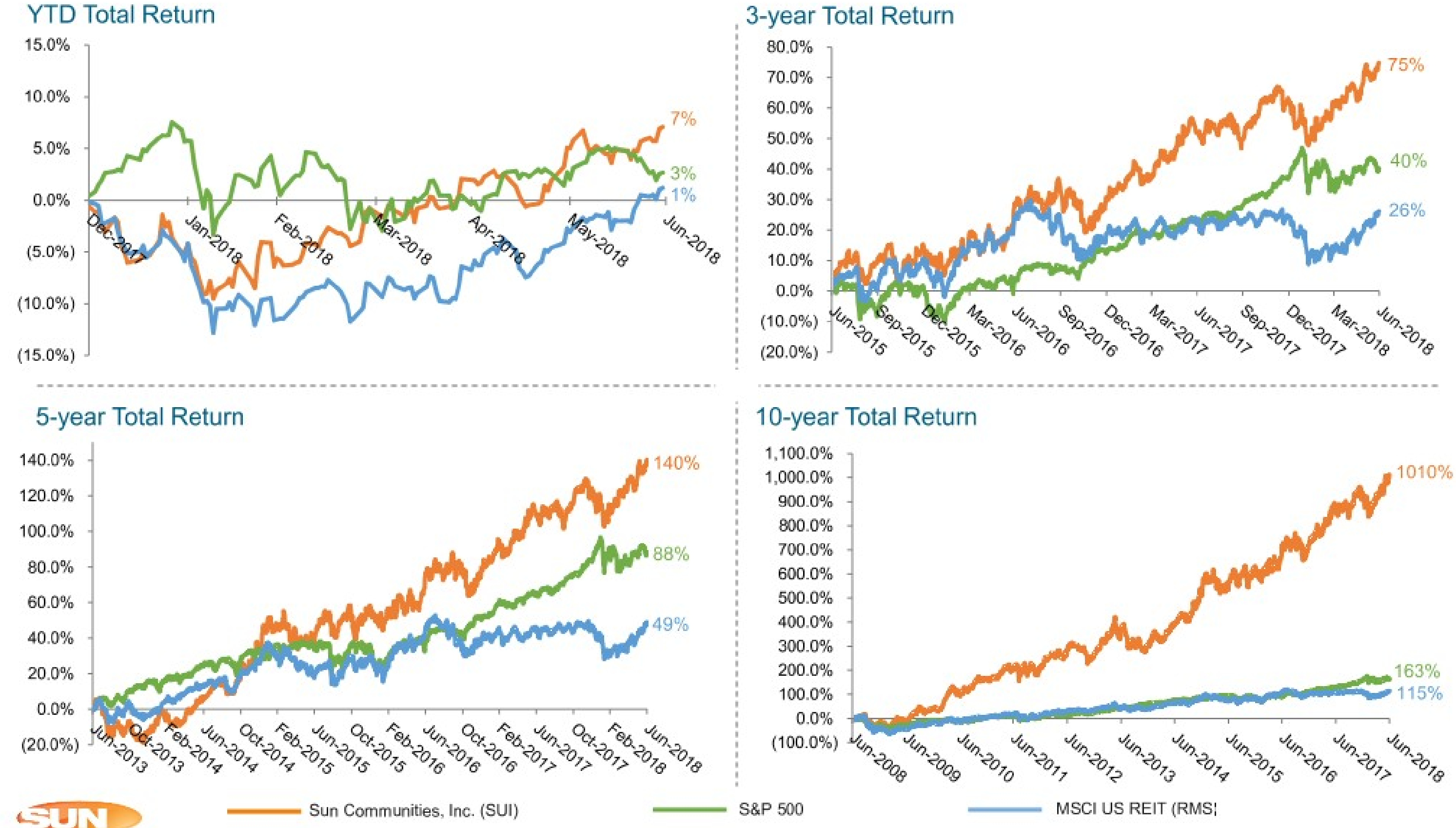
SUN COMMUNITIES, INC.

APPENDIX

Oceanside RV Resort – Coos Bay, OR (acquired June 13, 2018)

STRATEGY-DRIVEN OUTPERFORMANCE

- Sun has significantly outperformed major REIT and broader market indices over the last ten years

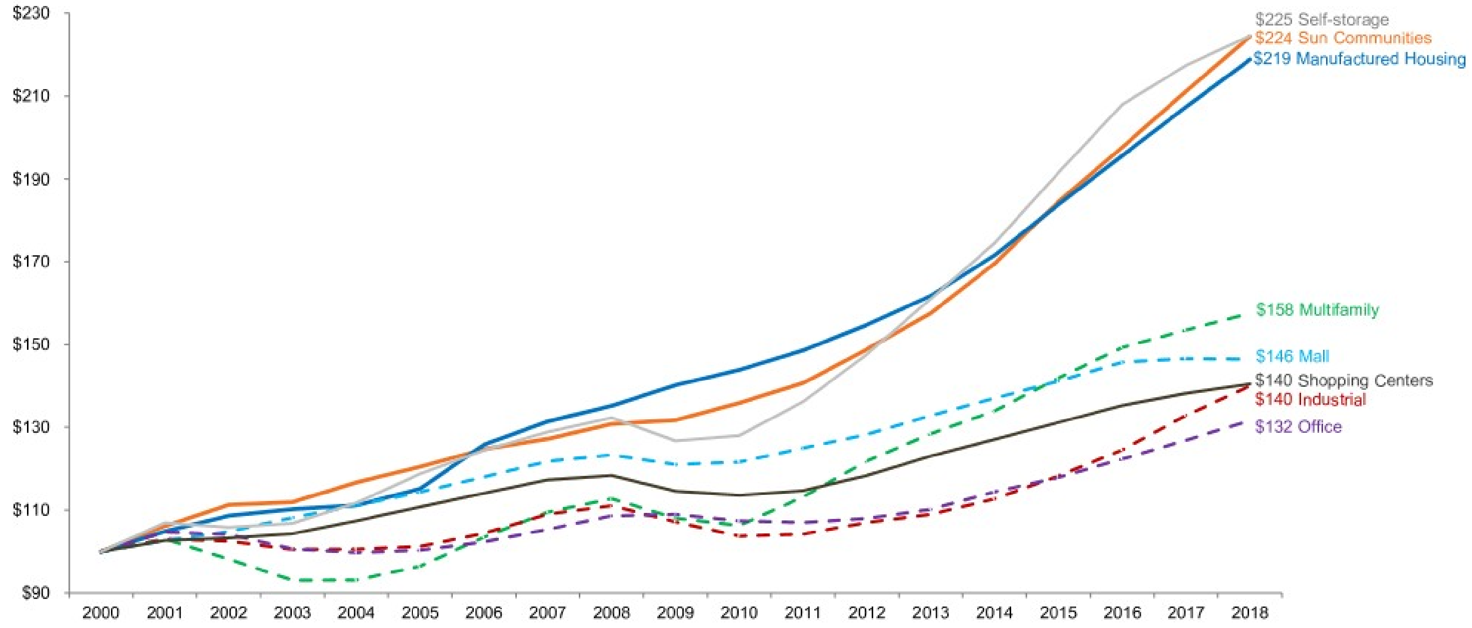


Source: S&P Global as of June 30, 2018.

Consistent NOI Growth

- Manufactured housing is one of the most recession-resistant sectors of the housing and commercial real estate sectors and has consistently outperformed multifamily in same community NOI growth since 2000

NOI Growth



Source: Citi Investment research, June, 2018. Refer to information regarding non-GAAP financial measures in this Appendix.

NON-GAAP TERMS DEFINED

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.

NET INCOME TO FFO RECONCILIATION

(amounts in thousands except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31,		
	2018	2017	2018	2017	2017	2016	2015
Net income attributable to Sun Communities, Inc. common stockholders	$ 20,408	$ 12,364	$ 50,394	$ 33,468	$ 65,021	$ 17,369	$ 137,325
Adjustments:							
Depreciation and amortization	67,977	62,842	134,623	125,659	262,211	221,576	178,048
Amounts attributable to noncontrolling interests	2,089	1,202	3,978	2,102	4,535	(41)	9,644
Preferred return to preferred OP units	552	586	1,105	1,172	2,320	2,462	2,612
Preferred distribution to Series A-4 preferred stock	432	560	873	1,225	2,107	-	-
Gain on disposition of properties, net	-	-	-	-	-	-	(125,376)
Gain on disposition of assets, net	(5,835)	(4,352)	(10,374)	(7,033)	(16,075)	(15,713)	(10,125)
FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities	$ 85,623	$ 73,202	$ 180,599	$ 156,593	$ 320,119	$ 225,653	$ 192,128
Adjustments:							
Transaction costs	-	2,437	-	4,823	9,801	31,914	17,803
Other acquisition related costs	301	1,525	436	2,369	2,810	3,328	-
Income from affiliate transactions	-	-	-	-	-	(500)	(7,500)
Catastrophic weather related charges, net	53	281	(2,160)	368	8,352	1,172	-
Loss of earnings - catastrophic weather related	325	-	650	-	292	-	-
Preferred stock redemption costs	-	-	-	-	-	-	4,328
Loss on extinguishment of debt	1,522	293	1,718	759	6,019	1,127	2,800
Other expense / (income), net	1,828	(1,156)	4,445	(1,995)	(8,982)	4,676	-
Debt premium write-off	(209)	(24)	(991)	(438)	(1,343)	(839)	-
Ground lease intangible write-off	817	-	817	-	898	-	-
Deferred tax expense / (benefit)	112	(364)	(235)	(664)	(582)	(400)	1,000
Core FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities	$ 90,372	$ 76,194	$ 185,279	$ 161,815	$ 337,384	$ 266,131	$ 210,559
Weighted average common shares outstanding - basic	79,612	74,678	79,233	73,677	76,084	65,856	53,686
Weighted average common shares outstanding - fully diluted	84,223	79,513	84,021	78,680	80,996	70,165	57,979
FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities per share - fully diluted	$ 1.02	$ 0.92	$ 2.15	$ 1.99	$ 3.95	$ 3.22	$ 3.31
Core FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities per share - fully diluted	$ 1.07	$ 0.96	$ 2.21	$ 2.06	$ 4.17	$ 3.79	$ 3.63

Source: Company information. Refer to Sun Communities, Inc. Form 10-Q and Supplemental for the quarter ended June 30, 2018 as well as Press Releases after June 30, 2018 for additional information.

NET INCOME TO NOI RECONCILIATION

(amounts in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31,		
	2018	2017	2018	2017	2017	2016	2015
Net income attributable to Sun Communities, Inc., common stockholders	$ 20,408	$ 12,364	$ 50,394	$ 33,468	$ 65,021	$ 17,369	$ 137,325
Other revenues	(6,160)	(6,051)	(12,377)	(11,576)	(24,874)	(21,150)	(18,157)
Home selling expenses	3,986	2,990	7,276	6,101	12,457	9,744	7,476
General and administrative	21,442	19,899	41,199	37,738	74,711	64,087	47,455
Transaction costs	57	2,437	114	4,823	9,801	31,914	17,803
Depreciation and amortization	67,773	62,721	134,210	125,487	261,536	221,770	177,637
Loss on extinguishment of debt	1,522	293	1,718	759	6,019	1,127	2,800
Interest expense	33,050	33,145	64,807	65,251	130,242	122,315	110,878
Catastrophic weather related charges, net	53	281	(2,160)	368	8,352	1,172	-
Other expense / (income), net	1,828	(1,156)	4,445	(1,995)	(8,982)	4,676	-
Gain on disposition of properties, net	-	-	-	-	-	-	(125,376)
Current tax expense / (benefit)	225	(7)	399	171	446	683	158
Deferred tax expense / (benefit)	112	(364)	(235)	(664)	(582)	(400)	1,000
Income from affiliate transactions	-	-	-	-	-	(500)	(7,500)
Preferred return to preferred OP units	1,103	1,196	2,183	2,370	4,581	5,006	4,973
Amounts attributable to noncontrolling interests	2,227	1,315	4,321	2,403	5,055	150	10,054
Preferred stock distributions	432	2,099	873	4,278	7,162	8,946	13,793
Preferred stock redemption costs	-	-	-	-	-	-	4,328
NOI/Gross Profit	$ 148,058	$ 131,162	$ 297,167	$ 268,982	$ 550,945	$ 466,909	$ 384,647

	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31,		
	2018	2017	2018	2017	2017	2016	2015
Real Property NOI	$ 125,903	$ 112,889	$ 257,648	$ 235,634	$ 479,662	$ 403,337	$ 335,567
Rental Program NOI	24,619	23,743	48,778	46,699	92,382	85,086	83,232
Home Sales NOI / Gross Profit	10,285	8,837	18,614	15,217	32,294	30,087	20,787
Ancillary NOI / Gross Profit	3,790	1,702	4,975	3,160	10,440	9,999	7,013
Site rent from Rental Program (included in Real Property NOI)	(16,539)	(16,009)	(32,848)	(31,728)	(63,833)	(61,600)	(61,952)
NOI / Gross Profit	$ 148,058	$ 131,162	$ 297,167	$ 268,982	$ 550,945	$ 466,909	$ 384,647

NET INCOME TO RECURRING EBITDA RECONCILIATION

(amounts in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31,		
	2018	2017	2018	2017	2017	2016	2015
Net income attributable to Sun Communities, Inc., common stockholders	$ 20,408	$ 12,364	$ 50,394	$ 33,468	$ 65,021	$ 17,369	$ 137,325
Adjustments:							
Interest expense	33,050	33,145	64,807	65,251	130,242	122,315	111,058
Loss on extinguishment of debt	1,522	293	1,718	759	6,019	1,127	2,800
Current tax expense / (benefit)	225	(7)	399	171	446	683	158
Deferred tax expense / (benefit)	112	(364)	(235)	(664)	(582)	(400)	1,000
Income from affiliate transactions	-	-	-	-	-	(500)	(7,500)
Depreciation and amortization	67,773	62,721	134,210	125,487	261,536	221,770	177,637
Gain on disposition of properties, net	-	-	-	-	-	-	(125,376)
Gain on disposition of assets, net	(5,835)	(4,352)	(10,374)	(7,033)	(16,075)	(15,713)	(10,125)
EBITDAre	$ 117,255	$ 103,800	$ 240,919	$ 217,439	$ 446,607	$ 346,651	$ 286,977
Adjustments:							
Transaction costs	57	2,437	114	4,823	9,801	31,914	17,803
Other expense / (income), net	1,828	(1,156)	4,445	(1,995)	(8,982)	4,676	-
Catastrophic weather related charges, net	53	281	(2,160)	368	8,352	1,172	-
Amounts attributable to noncontrolling interests	2,227	1,315	4,321	2,403	5,055	150	10,054
Preferred return to preferred OP units	1,103	1,196	2,183	2,370	4,581	5,006	4,973
Preferred stock distributions	432	2,099	873	4,278	7,162	8,946	13,793
Preferred stock redemption costs	-	-	-	-	-	-	4,328
Plus: Gain on dispositions of assets, net	5,835	4,352	10,374	7,033	16,075	15,713	10,125
Recurring EBITDA	$ 128,790	$ 114,324	$ 261,069	$ 236,719	$ 488,651	$ 414,228	$ 348,053