FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X] Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 1997

OR

[ ] Transition pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

COMMISSION FILE NUMBER 1-12616

SUN COMMUNITIES, INC.
(Exact Name of Registrant as Specified in its Charter)

Maryland	38-2730780
(State of Incorporation)	(I.R.S. Employer Identification No.)

31700 Middlebelt Road Suite 145 Farmington Hills, Michigan	48334
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (248) 932-3100

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

16,557,252 shares of Common Stock, $.01 par value as of October 31, 1997

SUN COMMUNITIES, INC.

INDEX

SUN COMMUNITIES, INC.

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 1997 AND DECEMBER 31, 1996

(IN THOUSANDS)

ASSETS	1997	1996
Investment in rental property, net	$ 586,342	$ 558,278
Cash and cash equivalents	1,730	9,236
Investment in affiliates	18,030	5,103
Mortgage notes receivable	17,918	4,176
Other assets	14,324	8,263
Total assets	$ 638.344	$ 585,056
LIABILITIES AND EQUITY		
Liabilities:		
Line of credit	$ 20,000	$ --
Debt	195,000	185,000
Accounts payable and accrued expenses	13,230	7,718
Deposits and other liabilities	7,990	9,123
Distributions payable	9,393	--
Total liabilities	245,613	201,841
Minority interests	80,533	82,283
Stockholders' equity:		
Preferred stock, $.01 par value, 10,000 shares authorized, none issued		
Common stock, $.01 par value, 100,000 shares authorized, 16,294 and 15,389 issued and outstanding in 1997 and 1996, respectively	163	154
Paid-in capital	355,127	328,321
Officers' notes	(11,773)	(9,173)
Distributions in excess of accumulated earnings	(31,319)	(18,370)
Total stockholders' equity	312,198	300,932
Total liabilities and equity	$ 638,344	$585,056

The accompanying notes are an integral part of the consolidated financial statements.

SUN COMMUNITIES, INC.

CONSOLIDATED STATEMENTS OF INCOME

FOR THE PERIODS ENDED SEPTEMBER 30, 1997 AND 1996

(IN THOUSANDS)

	FOR THE NINE MONTHS ENDED SEPTEMBER 30		FOR THE THREE MONTHS ENDED SEPTEMBER 30	
	1997	1996	1997	1996
Revenues:				
Income from property	$68,632	$50,128	$23,177	$20,279
Interest and other income	2,111	1,325	940	583
Total revenues	70,743	51,453	24,117	20,862
Expenses:				
Property operating and maintenance	15,620	11,204	5,423	4,721
Real estate taxes	5,578	3,987	1,838	1,721
General and administrative	3,312	2,407	1,116	882
Depreciation and amortization	14,927	10,530	5,150	4,020
Interest	10,397	7,944	3,598	3,240
Total expenses	49,834	36,072	17,125	14,584
Income before extraordinary item and minority interests	20,909	15,381	6,992	6,278
Extraordinary item, early extinguishment of debt	--	(6,896)		--
Income before minority interest	20,909	8,485	6,992	6,278
Less income allocated to minority interests:				
Preferred OP Units	1,879	1,043	627	626
Common OP Units	2,442	968	792	640
Net income	$16,588	$6,474	$5,573	$5,012
Earnings per share:				
Income before extraordinary item	$ 1.04	$.95	$.34	$.33
Extraordinary item	--	(.46)	--	--
Net income	$ 1.04	$.49	$.34	$.33
Distributions declared per common share outstanding	$1.865	$1.81	$.47	$.455
Weighted average common shares outstanding	15,933	13,198	16,243	15,092

The accompanying notes are an integral part of the consolidated financial statements.

SUN COMMUNITIES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1997 AND 1996

(IN THOUSANDS)

	1997	1996
Cash flows from operating activities:		
Net income	$ 16,588	$ 6,474
Adjustments to reconcile net income to net cash provided by operating activities:		
Income allocated to minority interests	2,442	968
Extraordinary item, net of prepayment penalties	--	1,390
Depreciation and amortization	14,927	10,530
Deferred financing costs	116	195
(Increase) decrease in other assets	(4,599)	402
Increase in accounts payable and other liabilities	5,025	7,907
Net cash provided by operating activities	34,499	27,866
Cash flows from investing activities:		
Investment in rental properties	(42,214)	(67,265)
Investment in affiliates	(12,927)	(366)
Mortgage notes receivable	(13,742)	--
Officer note	(2,600)	--
Net cash used in investing activities	(71,483)	(67,631)
Cash flows from financing activities:		
Distributions	(24,982)	(18,206)
Proceeds from borrowings	30,000	180,000
Repayments on borrowings	--	(238,490)
Net proceeds from sale of common stock	--	117,921
Stock options and dividend reinvestment plan	26,815	8,333
Payments for deferred financing costs	(2,355)	(209)
Net cash provided by financing activities	29,478	49,349
Net increase (decrease) in cash and cash equivalents	(7,506)	9,584
Cash and cash equivalents, beginning of period	9,236	121
Cash and cash equivalents, end of period	$ 1,730	$ 9,705
Supplemental Information:		
OP units issued for rental properties	--	$ 39,959
Debt assumed for rental properties	--	131,435
Issuance of common stock for officer notes	--	523

The accompanying notes are an integral part of the consolidated financial statements

SUN COMMUNITIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

____

1. BASIS OF PRESENTATION:

These unaudited condensed consolidated financial statements of Sun Communities, Inc., a Maryland corporation (the "Company"), have been prepared pursuant to the Securities and Exchange Commission ("SEC") rules and regulations and should be read in conjunction with the financial statements and notes thereto of the Company as of December 31, 1996. The following notes to consolidated financial statements present interim disclosures as required by the SEC. The accompanying consolidated financial statements reflect, in the opinion of management, all adjustments necessary for a fair presentation of the interim financial statements. All such adjustments are of a normal and recurring nature. Certain reclassifications have been made to the prior period financial statements to conform with current period presentation.

2. PORTFOLIO GROWTH:

As of September 30, 1997, the Company has acquired or financed 8 communities comprising 2,948 developed sites and 338 development sites for $41.2 million.

3. RENTAL PROPERTY:

The following summarizes rental property (in thousands):

	September 30, 1997	December 31, 1996
Land	$ 62,481	$ 58,943
Land improvements and buildings	546,005	510,726
Furniture, fixtures, equipment	11,463	9,826
Property under development	11,078	9,318
	631,027	588,813
Accumulated depreciation	(44,685)	(30,535)
Rental property, net	$ 586,342	$ 558,278

SUN COMMUNITIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. NOTES RECEIVABLE:

Notes receivable consisted of the following (amounts in thousands):

	September 30, 1997	December 31, 1996
Motgage notes receivable with minimum monthly interest payments at 7%, maturing June 30, 2012, collateralized by manufactured housing/ recreational vehicle communities located in Dover, DE (a)	$ 13,742	$ --
Second mortgage and third shared appreciation mortgage notes with monthly interest payments at an average rate of 17 percent and excess interest as defined, collateralized by manufactured housing communities located in Alberta, Canada	4,176	4,176
	$ 17,918	$ 4,176

(a) The stated interest rate is capped at 12%. The excess of the stated rate over the pay rate is added to the principal balance and will also accrue interest at the stated rate.

The officer notes are 10 year, LIBOR + 1.75% notes, collateralized by 500,000 shares of the Company's common stock with personal liability up to approximately $7.2 million.

5. DEBT:

The following table sets forth certain information regarding debt (in thousands):

	September 30, 1997	December 31, 1996
Secured term loan, interest at 7.01% due November 10, 2007	$ 45,000	$ --
Secured term loan, interest at LIBOR plus 1.50%, due November 1, 1997	--	35,000
Senior notes, interest at 7.375%, due May 1, 2001	65,000	65,000
Senior notes, interest at 7.625%, due May 1, 2003	85,000	85,000
	$ 195,000	$ 185,000

The Company had $55 million available borrowings under its $75 million line of credit at September 30, 1997.

SUN COMMUNITIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. OTHER INCOME:

The components of interest and other income are as follows (in thousands):

	Nine Months Ended September 30, 1997	Nine Months Ended September 30, 1996	Three Months Ended September 30, 1997	Three Months Ended September 30, 1996
Interest	$ 1,027	$ 1,095	$ 328	$ 383
Equity earnings:				
Sun Home Services, Inc. ("SHS")	875	230	493	200
Bingham Financial Services Corporation, a subsidiary of SHS	209	--	119	--
	$ 2,111	$ 1,325	$ 940	$ 583

SUN COMMUNITIES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND
RESULTS OF OPERATIONS

OVERVIEW

The following discussion and analysis of the consolidated financial condition and results of operations should be read in conjunction with the consolidated financial statements and Notes thereto. Capitalized terms are used as defined elsewhere in this Form 10-Q.

RESULTS OF OPERATIONS

Comparison of the nine months ended September 30, 1997 and 1996

For the nine months ended September 30, 1997, net income before extraordinary item and minority interests increased by 35.9 percent from $15.4 million to $20.9 million, when compared to the nine months ended September 30, 1996. The increase was due to increased revenues of $19.3 million while expenses increased by $13.8 million.

Income from property increased by $18.5 million from $50.1 million to $68.6 million or 36.9 percent, due to acquisitions ($15.4 million), lease up of sites ($1.1 million) and increases in rents and other community revenues ($2.0 million).

Interest and other income increased by $.8 million from $1.3 million to $2.1 million or 59.3 percent due primarily to improved results at SHS and the inception of operations at Bingham Financial Services Corporation.

Property operating and maintenance increased by $4.4 million from $11.2 million to $15.6 million or 39.4 percent due primarily to acquisitions ($3.6 million).

Real estate taxes increased by $1.6 million from $4.0 million to $5.6 million or 39.9 percent due primarily to acquisitions ($1.4 million).

General and administrative expenses increased by $.9 million from $2.4 million to $3.3 million or 37.6 percent due primarily to increased staffing to manage the growth of the company. General and administrative expenses as a percentage of total revenues remained constant at 4.7 percent.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") increased by $12.3 million from $33.9 million to $46.2 million or 36.6 percent. EBITDA declined slightly as a percentage of revenues from 65.8 percent to 65.4 percent.

Depreciation and amortization increased by $4.4 million from $10.5 million to $14.9 million or 41.8 percent due primarily to acquisitions.

Interest expense increased by $2.5 million from $7.9 million to $10.4 million or 30.9 percent primarily due to increased average debt outstanding.

The extraordinary item in the nine months ended September 30, 1996 results from the early extinguishment of debt and includes prepayment penalties and related deferred financing costs.

SUN COMMUNITIES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND
RESULTS OF OPERATIONS

Comparison of the Three Months Ended September 30, 1997 and 1996

Income from property increased by $2.9 million from $20.3 million to $23.2 million or 14.3 percent, due to acquisitions ($1.7 million), lease up of sites ($.4 million) and increases in rents and other community revenues ($.8 million).

Interest and other income increased by $.3 million from $.6 million to $.9 million or 61.2 percent due primarily to improved results at SHS and the inception of operations at Bingham Financial Services Corporation.

Property operating and maintenance increased by $.7 million from $4.7 million to $5.4 million or 14.9 percent, due primarily to acquisitions ($.5 million).

Real estate taxes increased by $.1 million from $1.7 million to $1.8 million or 6.8 percent due to acquisitions.

General and administrative expenses increased by $.2 million from $.9 million to $1.1 million or 26.5 percent, due primarily to increased staffing to manage the growth of the company. General and administrative expenses as a percentage of total revenues increased from 4.2 percent to 4.6 percent.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") increased by $2.2 million from $13.5 million to $15.7 million or 16.3 percent. EBITDA increased as a percentage of revenues from 64.9 percent to 65.3 percent.

Depreciation and amortization increased by $1.1 million from $4.0 million to $5.1 million or 28.1 percent due primarily to acquisitions.

Interest expense increased by $.4 million from $3.2 million to $3.6 million or 11.0 percent due to increased debt outstanding.

SUN COMMUNITIES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND
RESULTS OF OPERATIONS

SAME PROPERTY INFORMATION

The following table reflects property-level financial information as of and for the nine months ended September 30, 1997 and 1996. The "Same Property" data represents information regarding the operation of communities owned as of January 1, 1996. Site, occupancy, and rent data for those communities is presented as of the last day of each period presented. The table includes sites where the Company's interest is in the form of shared appreciation notes or where the Company is providing financing and managing the properties. Such amounts relate to 1,243 sites in 1996 and 2,040 sites in 1997 and were formerly classified in other income.

	SAME PROPERTY		TOTAL PORTFOLIO	
	1997	1996	1997	1996
Income from property	$37,911	$ 35,618	$ 68,632	$ 50,128
Property operating expenses:				
Property operating and maintenance	7,569	7,183	15,620	11,204
Real estate taxes	2,893	2,696	5,578	3,987
Property operating expenses	10,462	9,879	21,198	15,191
Property EBITDA	$ 27,449	$ 25,739	$ 47,434	$ 34,937
Number of properties	54	54	95	79
Developed sites	18,744	18,351	33,326	28,777
Occupied sites	17,786	17,256	30,965	26,867
Occupancy %	94.9%(1)	94.0%(1)	95.2%(1)	94.8%(1)
Weighted average monthly rent per site	$ 249(1)	$ 239(1)	$ 256(1)	$ 248 (1)
Sites available for development	1,728	2,277	3,288	3,461
Sites in development	319	681	762	662

(1) Occupancy % and weighted average rent relates to manufactured housing sites, excluding recreational vehicle sites.

On a same property basis, property revenues increased by $2.3 million from $35.6 million to $37.9 million, or 6.4 percent, due primarily to increases in rents and occupancy related charges including water and property tax pass through. Also contributing to revenue growth was the increase of 530 leased sites at September 30, 1997 compared to September 30, 1996.

Property operating expenses increased by $.6 million from $9.9 million to $10.5 million, or 5.9 percent, due to increased occupancies and costs and increases in assessments and millage rates by local taxing authorities. Property EBITDA increased by $1.7 million from $25.7 million to $27.4 million, or 6.6 percent.

SUN COMMUNITIES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND
RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents decreased by $7.5 million to $1.7 million at September 30, 1997 compared to $9.2 million at December 31, 1996 because cash used in investing activities exceeded cash provided by operating activities and financing activities.

Net cash provided by operating activities increased by $6.6 million to $34.5 million for the nine months ended September 30, 1997 compared to $27.9 million for the same period in 1996. Net income before depreciation and amortization, minority interests and extraordinary item increased by $14.6 million which was offset by $8.0 million due to changes in other assets and liabilities.

Net cash used in investing activities increased by $3.9 million to $71.5 million from $67.6 million due to reduced investments in rental properties more than offset by increased investments in affiliates and mortgage and officer notes.

Net cash provided by financing activities was $29.5 million for the nine months ended September 30, 1997 primarily due to $27.6 million of proceeds received from debt borrowings, net of financing costs, and the proceeds from the sale of common stock pursuant to the Company's Dividend Reinvestment Plan exceeding the distributions paid to Common OP Unit holders. For the same period in 1996, net cash provided by financing activities was $49.3 million due to proceeds received from the sale of stock and debt offset by debt repayments.

The Company expects to meet its short-term liquidity requirements generally through its working capital provided by operating activities and proceeds from the Company's Dividend Reinvestment Plan. The Company considers these sources to be adequate and anticipates they will continue to be adequate to meet operating requirements, capital improvements, investment in site development, and payment of distributions by the Company in accordance with REIT requirements in both the short and long term.

The Company expects to meet certain long-term liquidity requirements such as scheduled debt maturities and property acquisitions through the issuance of equity or debt securities, or interests in the Sun Communities Operating Limited Partnership. The Company can also meet these requirements by utilizing its $75 million line of credit which bears interest at LIBOR plus 1.25% and is due November 1, 1999.

At September 30, 1997, the Company's debt to total market capitalization approximated 23% (assuming conversion of all Common and Preferred OP Units to shares of common stock), with a weighted average maturity of approximately 5.9 years and a weighted average interest rate of 7.4%.

Recurring capital expenditures approximated $3.8 million, including $.4 million for corporate office expansion, for the nine months ended September 30, 1997.

SUN COMMUNITIES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND
RESULTS OF OPERATIONS

OTHER

Funds from operations ("FFO") is defined by the National Association of Real Estate Investment Trusts ("NAREIT") as "net income (computed in accordance with generally accepted accounting principles) excluding gains (or losses) from debt restructuring and sales of property, plus 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 in 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 generally accepted accounting principles 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. The following table calculates FFO for the periods ended September 30, 1997 and 1996:

	(IN THOUSANDS)			
	FOR THE NINE MONTHS ENDED SEPTEMBER 30		FOR THE THREE MONTHS ENDED SEPTEMBER 30	
	1997	1996	1997	1996
Income before allocation to minority interests	20,909	15,381	$ 6,992	$ 6,278
Add depreciation and amortization, net of corporate office depreciation	14,837	10,475	5,120	4,000
Deduct distribution to Preferred OP Units	(1,879)	(1,043)	(627)	(626)
Funds from operations	$ 33,867	$24,813	$11,485	$ 9,652
Weighted average shares and common OP units outstanding	18,296	15,049	18,602	17,018
FFO, per share/unit	$ 1.85	$ 1.65	$ 0.62	$ 0.57

PART II

ITEM 5. - RATIOS OF EARNINGS TO FIXED CHARGES

The Company's ratios of earnings to fixed charges for the years December 31, 1992, 1993, 1994, 1995 and 1996, and the nine months ended September 30, 1997 were 1.05:1, 1.05:1, 2.79:1, 3.03:1, 2.49:1, and 2.46:1, respectively.

ITEM 6.(A) - EXHIBITS REQUIRED BY ITEM 601 OF REGULATION S-K

EXHIBIT NO.	DESCRIPTION
12.1	Ratios of Earnings to Fixed Charges
27	Financial Data Schedule

ITEM 6.(B) - REPORTS ON FORM 8-K

The Company did not file any reports on Form 8-K during the period covered by this Form 10-Q.

SIGNATURES

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

Dated: November 12, 1997

SUN COMMUNITIES, INC.

BY: /s/Gary A. Shiffman

Gary A. Shiffman, President

BY: /s/Jeffrey P. Jorissen

Jeffrey P. Jorissen, Chief
Financial Officer and Secretary

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION	FILED HEREWITH	PAGE NUMBER HEREIN
12.1	Ratio of Earnings to Fixed Charges	X	
27	Financial Data Schedule	X	

EXHIBIT 12.1

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED DIVIDENDS

The ratio of earnings to fixed charges for the Company (including its predecessor-in-interest, Sundance Enterprises, Inc., the partnerships affiliated with Sundance Enterprises, Inc., and the Company's subsidiaries and majority-owned partnerships) presents the relationship of the Company's earnings to its fixed charges. "Earnings" as used in the computation, is based on net income (loss) from continuing operations (which includes a charge to income for depreciation and amortization expense) before income taxes, plus fixed charges. "Fixed charges" is comprised of (i) interest charges, whether expensed or capitalized, and (ii) amortization of loan costs and discounts or premiums relating to indebtedness of the Company and its subsidiaries and majority-owned partnerships, excluding in all cases items which would be or are eliminated in consolidation.

	9 MONTHS ENDED 9/30/97	YEAR ENDED DECEMBER 31, 1996	1995	1994	1993	1992
			(UNAUDITED, IN THOUSANDS)			
Earnings:						
Net income	$ 20,909	$ 21,953(1)	$ 13,591	$ 8,924	$ 288	$ 272
Add fixed charges other than capitalized interest	10,397	11,277	6,420	4,894	5,280	5,522
	$ 31,306	$ 33,230	$ 20,011	$ 13,818	$ 5,568	$5,794
Fixed Charges:						
Interest expense	$ 10,397	$ 11,277	$ 6,420	$ 4,894	$ 5,280	$5,522
Preferred OP distribution	1,879	1,670	--	--	--	--
Capitalized interest	445	380	192	58	--	--
Total fixed charges	$ 12,721	$ 13,327	$ 6,612	$ 4,952	$ 5,280	$5,522
Ratio of Earnings to Fixed Charges:	2.46:1	2.49:1	3.03:1	2.79:1	1.05:1	1.05:1

(1) Before extraordinary item

5
1,000

3-MOS
DEC-31-1997
JAN-01-1997
SEP-30-1997
1,730
0
0
0
0
0
631,027
44,685
638,344
20,000
195,000
0
0
163
312,035
638,344
0
70,743
0
21,198
0
0
10,397
20,909
0
20,909
0
0
0
16,588
$1.04
$1.04