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 JUNE 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: (810) 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:

16,287,686 shares of Common Stock, $.01 par value as of July 31, 1997

SUN COMMUNITIES, INC.

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SUN COMMUNITIES, INC.

CONSOLIDATED BALANCE SHEETS

JUNE 30, 1997 AND DECEMBER 31, 1996

(IN THOUSANDS)

ASSETS	1997	1996
Investment in rental property, net	$ 568,296	$ 558,278
Cash and cash equivalents	1,355	9,236
Investment in affiliates	12,972	5,103
Other assets	14,338	12,439
Total assets	$ 596,961	$ 585,056
LIABILITIES AND EQUITY		
Liabilities:		
Debt	$ 185,000	$ 185,000
Accounts payable and accrued expenses	8,987	7,718
Deposits and other liabilities	8,897	9,123
Distributions payable	9,244	--
Total liabilities	212,128	201,841
Minority interests	80,830	82,283
Stockholders' equity:		
Preferred stock, $.01 par value, 10,000 shares authorized, none issued		
Common stock, $.01 par value, 100,000 shares authorized, 15,977 and 15,389 issued and outstanding in 1997 and 1996, respectively	160	154
Paid-in capital	344,861	328,321
Officers' notes	(11,773)	(9,173)
Distributions in excess of accumulated earnings	(29,245)	(18,370)
Total stockholders' equity	304,003	300,932
Total liabilities and equity	$ 596,961	$ 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 JUNE 30, 1997 AND 1996

(IN THOUSANDS)

	FOR THE SIX MONTHS ENDED JUNE 30		FOR THE THREE MONTHS ENDED JUNE 30	
	1997	1996	1997	1996
Revenues:				
Rental income	$ 44,790	$ 29,254	$ 22,152	$ 17,259
Interest and other income	1,836	1,337	1,081	890
Total revenues	46,626	30,591	23,233	18,149
Expenses:				
Property operating and maintenance	10,197	6,483	5,050	3,862
Real estate taxes	3,740	2,266	1,877	1,398
General and administrative	2,196	1,525	1,118	826
Depreciation and amortization	9,777	6,510	4,956	3,750
Interest	6,799	4,704	3,354	2,666
Total expenses	32,709	21,488	16,355	12,502
Income before extraordinary item and minority interests	13,917	9,103	6,878	5,647
Extraordinary item, early extinguishment of debt	--	(6,896)	--	(6,896)
Income before minority interest	13,917	2,207	6,878	(1,249)
Less income allocated to minority interests:				
Preferred OP Units	1,252	417	626	417
Common OP Units	1,650	328	805	(191)
Net income	$ 11,015	$ 1,462	$ 5,447	$ (1,475)
Earnings per share:				
Income before extraordinary item	$ .70	$ .62	$ .34	$ .32
Extraordinary item	--	(.49)	--	(.42)
Net income	$ .70	$ .13	$ .34	$ (.10)
Distributions declared per common share outstanding	$ .94	$ 1.365	$ .47	$ .455
Weighted average common shares outstanding	15,778	12,250	15,924	14,064

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

SUN COMMUNITIES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1997 AND 1996

(IN THOUSANDS)

	1997	1996
Cash flows from operating activities:		
Net income	$ 11,015	$ 1,462
Adjustments to reconcile net income to net cash provided by operating activities:		
Income allocated to minority interests	1,650	328
Extraordinary item, net of prepayment penalties	--	1,390
Depreciation and amortization costs	9,777	6,510
Deferred financing costs	77	158
(Increase) decrease in other assets	(2,402)	1,358
Increase in accounts payable and other liabilities	1,670	6,886
Net cash provided by operating activities	21,787	18,092
Cash flows from investing activities:		
Investment in rental properties	(19,318)	(58,115)
Investment in affiliates	(7,869)	74
Officer note	(2,600)	--
Net cash used in investing activities	(29,787)	(58,041)
Cash flows from financing activities:		
Distributions	(16,376)	(11,094)
Proceeds from borrowings	--	180,000
Repayments on borrowings	--	(238,490)
Net proceeds from sale of common stock	--	117,874
Stock options and dividend reinvestment plan	16,546	2,977
Payments for deferred financing costs	(51)	(209)
Net cash provided by financing activities	119	51,058
Net increase (decrease) in cash and cash equivalents	(7,881)	11,109
Cash and cash equivalents, beginning of period	9,236	121
Cash and cash equivalents, end of period	$ 1,355	$ 11,230
Supplemental Information:		
OP units issued for rental properties	--	$ 39,959
Debt assumed for rental properties	--	131,435

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. RENTAL PROPERTY:

The following summarizes rental property (in thousands):

	June 30, 1997	December 31, 1996
Land	$ 60,929	$ 58,943
Land improvements and buildings	529,262	510,726
Furniture, fixtures, equipment	11,062	9,826
Property under development	6,878	9,318
	608,131	588,813
Accumulated depreciation	(39,835)	(30,535)
Rental property, net	$ 568,296	$ 558,278

3. NOTES RECEIVABLE:

Included in other assets at June 30, 1997 and 1996 are $4.2 million of second and third mortgage notes collateralized by manufactured housing communities located in Alberta, Canada bearing interest at an average rate of 17 percent.

The officers' 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.

SUN COMMUNITIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. DEBT:

The following table sets forth certain information regarding debt at June 30, 1997 (in thousands):

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
Senior notes, interest at 7.625%, due May 1, 2003	85,000
	$ 185,000

5. OTHER INCOME:

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

	Six Months Ended June 30, 1997	Six Months Ended June 30, 1996	Three Months Ended June 30, 1997	Three Months Ended June 30, 1996
Interest:				
Notes and mortgages	$ 962	$ 742	$ 526	$ 376
Other	213	339	89	300
Other property revenues	279	226	127	114
Equity earnings - Sun Home Services, Inc. ("SHS")	382	30	339	100
	$ 1,836	$ 1,337	$ 1,081	$ 890

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 six months ended June 30, 1997 and 1996

For the six months ended June 30, 1997, net income before minority interests increased by 52.9 percent from $9.1 million to $13.9, when compared to the six months ended June 30, 1996. The increase was due to increased revenues of $16.0 million while expenses increased by $11.2 million.

Rental income increased by $15.5 million from $29.3 million to $44.8 million or 53.1 percent, due to acquisitions ($13.6 million), lease up of sites ($.7 million) and increases in rents and other community revenues ($1.2 million).

Other income increased by $.5 million from $1.3 million to $1.8 million or 37.3 percent due primarily to increased interest income and improved results at SHS.

Property operating and maintenance increased by $3.7 million from $6.5 million to $10.2 million or 57.3 percent due primarily to acquisitions ($3.2 million).

Real estate taxes increased by $1.5 million from $2.3 million to $3.8 million or 65.0 percent due primarily to acquisitions ($1.3 million).

General and administrative expenses increased by $.7 million from $1.5 million to $2.2 million or 44.0 percent due primarily to increased staffing to manage the growth of the company. General and administrative expenses as a percentage of total revenues declined from 5.0 percent to 4.7 percent as a result of economies of scale resulting from the company's growth.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") increased by $10.2 million from $20.3 million to $30.5 million or 50.0 percent. EBITDA declined as a percentage of revenues from 66.4 percent to 65.4 percent, primarily due to increased real estate taxes as a percentage of total revenues.

Depreciation and amortization increased by $3.3 million from $6.5 million to $9.8 million or 50.2 percent due primarily to acquisitions.

Interest expense increased by $2.1 million from $4.7 million to $6.8 million or 44.5 percent primarily due to increased average debt outstanding.

The extraordinary item in the six months ended June 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 June 30, 1997 and 1996

Rental income increased by $4.9 million from $17.3 million to $22.2 million or 28.4 percent, due to acquisitions ($4.0 million), lease up of sites ($.3 million) and increases in rents and other community revenues ($.6 million).

Property operating and maintenance increased by $1.2 million from $3.9 million to $5.1 million or 30.8 percent, due primarily to acquisitions ($1.0 million).

Real estate taxes increased by $.5 million from $1.4 million to $1.9 million or 34.3 percent due primarily to acquisitions ($.4 million).

General and administrative expenses increased by $.3 million from $.8 million to $1.1 million or 35.3 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 4.6 percent to 4.8 percent.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") increased by $3.1 million from $12.1 million to $15.2 million or 25.9 percent. EBITDA declined as a percentage of revenues from 66.5 percent to 65.4 percent.

Depreciation and amortization increased by $1.2 million from $3.8 million to $5.0 million or 32.2 percent due primarily to acquisitions.

Interest expense increased by $.7 million from $2.7 million to $3.4 million or 25.8 percent due to increased debt outstanding.

The extraordinary item in the three months ended June 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

SAME PROPERTY INFORMATION

The following table reflects property-level financial information as of and for the six months ended June 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 excludes the 1,200 sites where the Company's interest is in the form of a shared appreciation mortgage note.

	SAME PROPERTY		TOTAL PORTFOLIO	
	1997	1996	1997	1996
Property revenues, including other	$ 25,096	$ 23,579	$ 45,069	$ 29,480
Property operating expenses:				
Property operating and maintenance	4,833	4,516	10,197	6,483
Real estate taxes	1,929	1,750	3,740	2,266
Property operating expenses	6,762	6,266	13,937	8,749
Property EBITDA	$ 18,334	$ 17,313	$ 31,132	$ 20,731
Number of properties	52	52	84	77
Developed sites	17,535	16,970	30,400	27,380
Occupied sites	16,511	16,137	28,133	25,701
Occupancy %	94.2%	95.1%	94.7%(1)	95.4%(1)
Weighted average monthly rent per site	$ 249	$ 237	$ 255 (1)	$ 247 (1)
Sites available for development	1,732	2,643	3,312	2,872
Sites in development	398	624	736	643

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

On a same property basis, property revenues increased by $1.5 million from $23.6 million to $25.1 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 374 leased sites at June 30, 1997 compared to June 30, 1996.

Property operating expenses increased by $.5 million from $6.3 million to $6.8 million, or 7.9 percent, due to increased occupancies and costs and increases in assessments and millage rates by local taxing authorities. Property EBITDA increased by $1.0 million from $17.3 million to $18.3 million, or 5.9 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 $7.9 million to $1.4 million at June 30, 1997 compared to $9.2 million at December 31, 1996 primarily because cash used in investing activities exceeded cash provided by operating activities.

Net cash provided by operating activities increased by $3.7 million to $21.8 million for the six months ended June 30, 1997 compared to $18.1 million for the same period in 1996. Net income before depreciation and amortization, minority interests and extraordinary item increased by $12.8 million which was offset by $9.1 million of increases in other assets and liabilities.

Net cash used in investing activities was $29.8 million for the six months ended June 30, 1997 compared to $58.0 million for the same period in 1996. $38.8 million of this decrease was due to acquisition related activities with the remaining balance attributable to the Company's investment in affiliates and officer note.

Net cash provided by financing activities was $.1 million for the six months ended June 30, 1997 due to 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 $51.1 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 June 30, 1997, the Company's debt to total market capitalization approximated 22% (assuming conversion of all Common and Preferred OP Units to shares of common stock), with a weighted average maturity of approximately 4.1 years and a weighted average interest rate of 7.5%.

Recurring capital expenditures approximated $1.9 million for the six months ended June 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 June 30, 1997 and 1996:

(IN THOUSANDS)

	FOR THE SIX MONTHS ENDED JUNE 30		FOR THE THREE MONTHS ENDED JUNE 30	
	1997	1996	1997	1996
Income before allocation to minority interests	$ 13,917	$ 9,103	$ 6,878	$ 5,647
Add depreciation and amortization, net of corporate office depreciation	9,717	6,475	4,926	3,730
Deduct distribution to Preferred OP Units	(1,252)	(417)	(626)	(417)
Funds from operations	$ 22,382	$ 15,161	$ 11,178	$ 8,960
Weighted average shares and common OP units outstanding	18,144	14,064	18,282	16,363
FFO, per share/unit	$ 1.23	$ 1.08	$ 0.61	$ 0.55

PART II

ITEM 4. - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On May 29, 1997, the Company held its Annual Meeting of Shareholders. The following matters were voted upon at the meeting:

(a) The election of two directors to serve until the 2000 Annual Meeting of Shareholders or until their respective successors shall be elected and shall qualify. The results of the election appear below:

NAME	VOTES FOR	VOTES AGAINST OR WITHHELD	ABSTENTIONS OR BROKER NON-VOTES
Ted J. Simon	10,840,419	0	20,259
Paul D. Lapides	10,846,477	0	14,201

(b) An amendment to the Company's Charter as follows:

(i) amend Article VII, Section 7 to make that section specifically subject to Article VII, Section 20 of the Company's Charter.
(ii) Amend Article VII, Section 20 to change the word "capital" to "common, preferred, or any other class of equity".

VOTES FOR	VOTES AGAINST OR WITHHELD	ABSTENTIONS OR BROKER NON-VOTES
10,694,399	42,148	124,131

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 six months ended June 30, 1997 were 1.05:1, 1.05:1, 2.79:1, 3.03:1, 2.49:1, and 2.49:1, respectively.

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

EXHIBIT NO.	DESCRIPTION
12.1	Ratios of Earnings to Fixed Charges
	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: August 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.

	6 MONTHS ENDED 6/30/97	YEAR ENDED DECEMBER 31, 1996	1995	1994	1993	1992
		(unaudited, in thousands)				
Earnings:						
Net income (loss)	$ 13,917	$ 21,953 (1)	$ 13,591	$ 8,924	$ 288	$ 272
Add fixed charges other than capitalized interest	6,799	11,277	6,420	4,894	5,280	5,522
	$ 20,716	$ 33,230	$ 20,011	$ 13,818	$ 5,568	$ 5,794
Fixed Charges:						
Interest expense	$ 6,799	$ 11,277	$ 6,420	$ 4,894	$ 5,280	$ 5,522
Preferred OP distribution	1,252	1,670	---	---	---	---
Capitalized interest	255	380	192	58	---	---
Total fixed charges	$ 8,306	$ 13,327	$ 6,612	$ 4,952	$ 5,280	$ 5,522
Ratio of Earnings to Fixed Charges:	2.49:1	2.49:1	3.03:1	2.79:1	1.05:1	1.05:1

(1) Before extraordinary item

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JAN-01-1997
JUN-30-1997
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