Sun Communities, Inc.

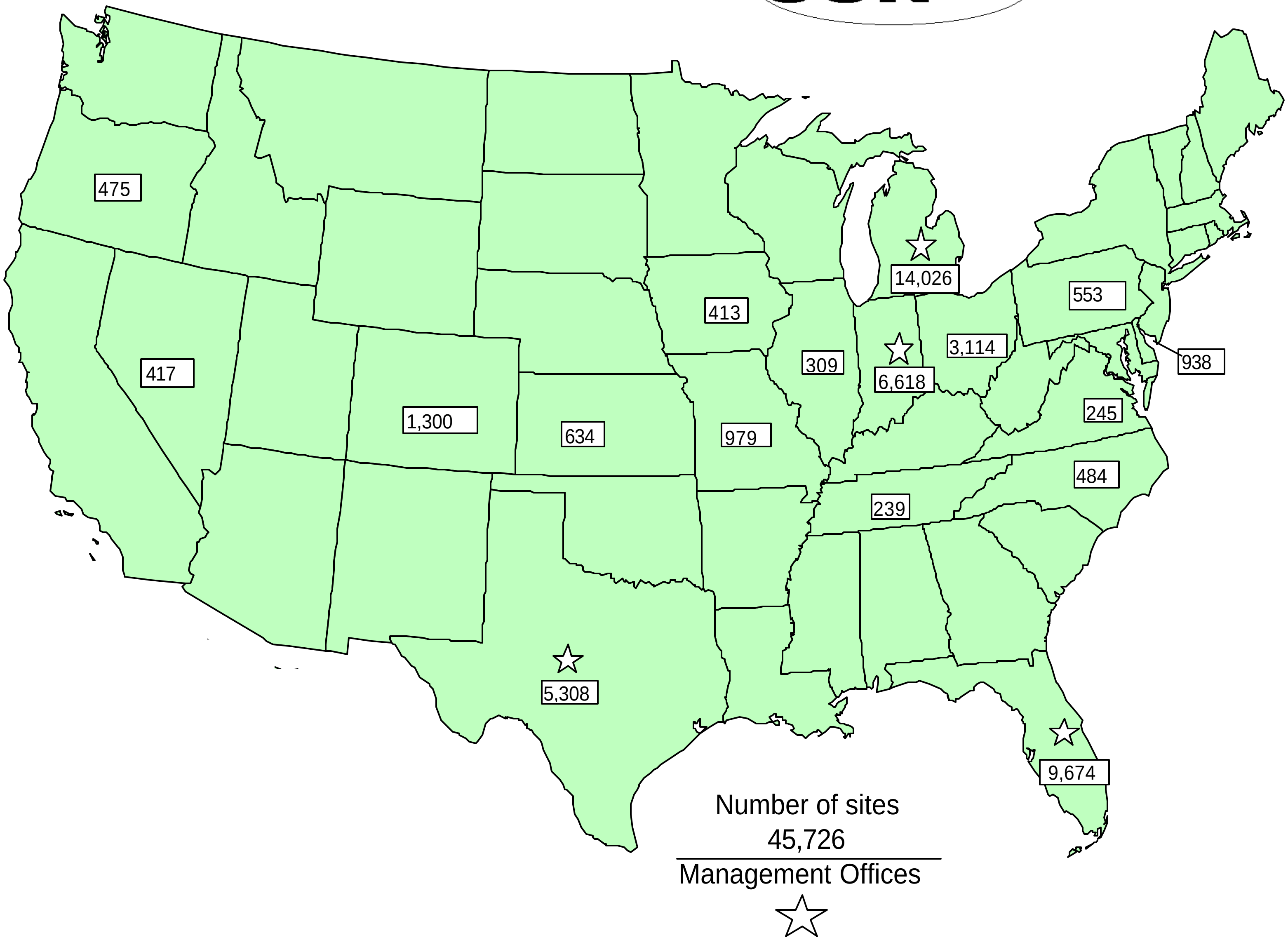
Supplemental Operating and Financial Data

For the Quarter Ended September 30, 2004

SUN

Portfolio Overview

SUN



SUN COMMUNITIES, INC.
SUPPLEMENTAL INFORMATION
3rd QUARTER 2004

INDEX

(A) The statements of operations provided in this supplemental information package presents funds from operations, net operating income, EBITDA and funds available for distribution which are REIT industry financial measures that are not calculated in accordance with generally accepted accounting principles ("GAAP"). Please see footnote (1) for a definition of these supplemental performance measures.

FOR FURTHER INFORMATION:

AT THE COMPANY:
Jeffrey P. Jorissen
Chief Financial Officer
(248) 208-2500

FOR IMMEDIATE RELEASE

SUN COMMUNITIES, INC. REPORTS THIRD QUARTER 2004 RESULTS

Southfield, MI, October 27, 2004 - Sun Communities, Inc. (NYSE: SUI), a real estate investment trust (REIT) that owns and operates manufactured housing communities, today reported third quarter results.

For the third quarter ended September 30, 2004, total revenues increased to $48.9 million, compared with $47.7 million in the third quarter of 2003. Funds from operations (FFO)[(1)] decreased from $17.3 million in the third quarter 2003 to $11.6 million in the third quarter 2004. On a diluted per share/OP unit basis, FFO was $0.56 for the third quarter of 2004 as compared with $0.82 for the three months ended September 30, 2003. Net income for the third quarter of 2004 was $0.6 million or $0.03 per diluted common share, compared with net income of $6.4 million, or $0.34 per diluted common share for the same period in 2003. The third quarter 2004 results reflect a charge of $0.6 million for Florida storm damage and $0.2 million for severance. The Company owns 20 communities in Florida comprising 9,680 sites. Four hurricanes have ravaged Florida during the current season. Damages relate primarily to cleanup of debris with minimal structural damage to the Company's communities or the homes of our residents. No injuries were sustained by employees or residents who have performed heroically through this difficult period.

For 108 communities owned throughout both years, total revenues increased 3.5 percent for the nine months ended September 30, 2004 and expenses increased 3.7 percent, resulting in an increase in net operating income[(2)] of 3.4 percent. Same property occupancy in the manufactured housing sites decreased from 89.1 percent at June 30, 2004 to 88.4 percent at September 30, 2004.

As previously announced, the Company acquired four manufactured housing communities comprising 1,542 developed sites with 89 percent occupancy. The aggregate price was $54.6 million at a 7.5 percent capitalization rate and included the assumption of approximately $16 million in debt. Three of the communities are in northeast Atlanta and closed in October and the fourth is in Ypsilanti, Michigan and closed in the third quarter. An additional $100 million of acquisitions are scheduled to close in the fourth quarter.

Also, the Company's recently announced $90 million unsecured line of credit was subsequently expanded by $25 million to $115 million. The line borrowings will be at LIBOR + 1.75 percent.

"Year-to-date NOI growth of 3.4 percent for our core portfolio of 108 communities has remained solid. Third quarter expenses increased at a 6.3 percent rate driven primarily by real estate taxes and after two quarters of solid occupancy performance, we experienced some reductions in occupancy at eight communities representing 2/3 of the loss of 268 sites. We remain optimistic that industry consensus and data continue to indicate general trends of both improving conditions and reduced levels of repossessions," said Gary A. Shiffman, Chairman and Chief Executive Officer.

"As previously discussed, management has been focused on completing each of the strategic steps related to the refinancing of the Company's debt earlier this year. Our cash on hand averaged nearly $90 million during the third quarter, which while dilutive to operating results, had been anticipated as part of our longer term strategy. In October, we purchased three communities for $43 million and anticipate the closing of several more acquisitions in the fourth quarter, which will require approximately $45 million in cash. Of the FNMA financing, $60 million remains to be drawn by December, which we may use to retire our $50 million, 8-7/8 percent preferred issue and/or acquire additional shares of our stock in the market. When these actions are complete, we should have a minimal cash balance and a fully available $115 million line of credit," he added.

The Company expects to provide earnings guidance in mid-November at which time significant pending acquisitions are expected to be closed and the 2005 budgeting process will be complete.

A conference call to discuss third quarter operating results will be held on October 27, 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 November 10, 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 replay is 3055 and the ID number is 119388. 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 136 communities mainly in the Midwest and Southeast United States. The Company's properties are comprised of over 46,800 developed sites and approximately 7,300 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 generally accepted accounting principles), 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. Management generally considers FFO to be a useful measure for reviewing comparative operating and financial performance because, by excluding gains and losses related to sales of previously depreciated operating real estate assets 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 year over year, reflects the impact to operations from trends in occupancy rates, rental rates and operating costs, providing perspective not readily apparent from net income. Management believes that 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.

Because FFO excludes significant economic components of net income including depreciation and amortization, FFO should be used as an adjunct to net income and not as an alternative to net income. The principal limitation of FFO is that it 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. FFO only provides investors with an additional performance measure that, when combined with measures computed in accordance with GAAP such as net income, cash flow from operating activities, investing activities and financing activities, provide investors with an indication of the Company's ability to service debt and to fund acquisitions and other expenditures. Other REITS may use different methods for calculating FFO and, accordingly, the Company's FFO may not be comparable to other REITs.

(2) Investors in and analysts following the real estate industry utilize net operating income ("NOI") as a supplemental performance measure. NOI is derived from revenues (determined in accordance with GAAP) minus property operating expenses and real estate taxes (determined in accordance with GAAP). NOI does not represent cash generated from operating activities in accordance with GAAP and should not be considered to be an alternative to net income (determined in accordance with GAAP) as an indication of the Company's financial performance or to be an alternative to cash flow from operating activities (determined in accordance with GAAP) 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. The Company believes that net income is the most directly comparable GAAP measurement to net operating income. Because of the inclusion of items such as interest, depreciation and amortization, the use of net income 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. The Company believes that net operating income is helpful to investors as a 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 management tool when evaluating performance and growth of particular properties and/or groups of properties. The principal limitation of NOI is that it excludes depreciation, amortization and non-property specific expenses such as general and administrative expenses, all of which are significant costs, and therefore, NOI is a measure of the operating performance of the properties of the Company rather than of the Company overall.

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 SEPTEMBER 30, 2004 AND 2003
(Amounts in thousands except for per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	**2003**	**2004**	**2003**
REVENUES				
Income from rental property	$ 40,960	$ 39,090	$124,329	$119,465
Revenue from home sales	4,837	4,357	14,893	14,072
Ancillary revenues, net	394	341	1,510	1,217
Interest and other income	2,686	3,909	6,793	9,157
Total revenues	48,877	47,697	147,525	143,911
COSTS AND EXPENSES				
Property operating and maintenance	10,738	10,091	31,034	29,640
Cost of home sales	3,812	3,282	12,074	9,468
Real estate taxes	3,520	2,937	10,039	8,805
General and administrative - rental property	3,173	2,581	8,619	7,458
General and administrative - home sales	1,413	1,353	4,474	4,364
Depreciation and amortization	10,987	11,036	33,076	32,486
Interest	11,812	7,377	31,177	26,684
Extinguishment of debt	-	-	51,643	-
Deferred financing costs related to extinquished debt	-	-	5,557	-
Florida storm damage	600	-	600	-
Total expenses	46,055	38,657	188,293	118,905
Income (loss) from continuing operations before minority interests	2,822	9,040	(40,768)	25,006
Less income (loss) allocated to minority interests:				
Preferred OP Units	2,192	2,136	6,555	6,397
Common OP Units	76	816	(5,546)	2,284
Income (loss) from continuing operations	554	6,088	(41,777)	16,325
Income from discontinued operations	-	333	-	978
Net income (loss)	$ 554	$ 6,421	$ (41,777)	$ 17,303
Weighted average common shares outstanding:				
Basic	18,100	18,504	18,480	18,065
Diluted	18,246	18,683	18,480	18,220
Basic earnings (loss) per share:				
Continuing operations	$ 0.03	$ 0.33	$ (2.26)	$ 0.91
Discontinued operations	-	0.02	-	0.05
Net income (loss)	$ 0.03	$ 0.35	$ (2.26)	$ 0.96
Diluted earnings (loss) per share:				
Continuing operations	$ 0.03	$ 0.32	$ (2.26)	$ 0.90
Discontinued operations	-	0.02	-	0.05
Net income (loss)	$ 0.03	$ 0.34	$ (2.26)	$ 0.95

RECONCILIATION OF NET INCOME TO FUNDS FROM OPERATIONS
FOR THE PERIODS ENDED SEPTEMBER 30, 2004 AND 2003
(Amounts in thousands except for per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	**2003**	**2004**	**2003**
Net income (loss)	$ 554	$ 6,421	$ (41,777)	$ 17,303
Adjustments:				
Depreciation and amortization	11,195	10,708	33,109	31,817
Valuation adjustment[3]	(180)	(1,949)	302	(1,274)
Allocation of SunChamp losses[4]	-	1,221	300	3,158
Income (loss) allocated to minority interest	76	860	(5,546)	2,420
Funds from operations	$ 11,645	$ 17,261	$ (13,612)	$ 53,424
FFO - Continuing Operations	$ 11,645	$ 16,775	($13,612)	$ 51,886
FFO - Discontinued Operations	$ -	$ 486	$0	$ 1,538
Weighted average common shares/OP Units outstanding:				
Basic	20,574	20,989	20,954	20,586
Diluted	20,720	21,168	20,954	20,741
Continuing Operations:				
FFO per weighted average Common Share/OP Unit - Basic	$ 0.57	$ 0.80	$ (0.65)	$ 2.52
FFO per weighted average Common Share/OP Unit - Diluted	$ 0.56	$ 0.79	$ (0.65)	$ 2.50
Discontinued Operations:				
FFO per weighted average Common Share/OP Unit - Basic	$ -	$ 0.02	$ -	$ 0.08
FFO per weighted average Common Share/OP Unit - Diluted	$ -	$ 0.03	$ -	$ 0.08
Total Operations:				
FFO per weighted average Common Share/OP Unit - Basic	$ 0.57	$ 0.82	$ (0.65)	$ 2.60
FFO per weighted average Common Share/OP Unit - Diluted	$ 0.56	$ 0.82	$ (0.65)	$ 2.58

(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 imperfection related to hedging correlation in these swaps is reflected currently in cash as interest, the valuation adjustments reflect volatility that would distort the comparative measurement of FFO and on a net basis approximate zero. Accordingly, 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. A situation such as this is not contemplated in the NAREIT definition of FFO due to the unique circumstances of the transaction. Although not comparable to the precise NAREIT definition, the Company believes the inclusion of this item in its calculation of FFO to be appropriate as noted above.

SUN COMMUNITIES, INC.
SELECTED BALANCE SHEET DATA
(Amounts in thousands) (Unaudited)

	September 30, 2004		December 31, 2003	
Investment in rental property before accumulated depreciation	$	1,326,585	$	1,220,405
Total assets	$	1,331,358	$	1,221,574
Total debt	$	999,793	$	773,328
Total minority interests and stockholders' equity	$	301,550	$	423,413

SUN COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED SEPTEMBER 30, 2004 AND 2003
(Amounts in thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Net income (loss)	$ 554	$ 6,421	$ (41,777)	$ 17,303
Unrealized income (loss) on interest rate swaps	(1,615)	2,033	(241)	(347)
Comprehensive income (loss)	$ (1,061)	$ 8,454	$ (42,018)	$ 16,956

RESEARCH COVERAGE

AG EDWARDS	ART HAVENER (314) 955-3436
DEUTSCHE BANK SECURITIES, INC	LOUIS TAYLOR (212) 250-4912
GREEN STREET	CRAIG LEOPOLD (949) 640-8780
KEYBANC CAPITAL MARKETS	DAVID B. RODGERS (216) 263-4785
LEHMAN BROTHERS	DAVID SHULMAN (212) 526-3413
RBC CAPITAL MARKETS	JAY LEUPP (415) 633-8588
	DAVID RONCO (415) 633-8566
MAXCOR FINANCIAL	PAUL ADORNATO (646) 346-7327
SALOMON SMITH BARNEY	JORDAN SADLER (212) 816-0438

EARNINGS ANNOUNCEMENTS

	4th Quarter	1st Quarter	2nd Quarter
EARNINGS ANNOUNCEMENTS	02/17/05	04/21/05	07/21/05
DIVIDEND DECLARATIONS	01/03/05	04/01/05	07/01/05

INQUIRIES

Sun Communities welcomes questions or comments from stockholders, analysts, investment managers, media or any prospective investor. Please address all inquires to Ms. Carol Petersen of our investor relations department.

AT OUR WEBSITE	www.suncommunities.com
BY PHONE	(248) 208-2500
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SUN COMMUNITIES

BALANCE SHEETS

(in thousands)

	Quarter Ended				
	September 30, 2004	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003
ASSETS					
Real Estate					
Land	$ 111,513	$ 110,354	$ 104,548	$ 104,541	$ 103,401
Land Improvements and Buildings	1,144,930	1,125,521	1,054,164	1,048,576	1,014,268
Furniture, Fixtures and Equipment	33,683	32,670	32,881	33,080	25,878
Land Held for Future Development	34,318	34,318	32,359	31,409	32,103
Property Under Development	2,141	1,960	1,538	2,799	2,288
Gross Real Estate Investment	1,326,585	1,304,823	1,225,490	1,220,405	1,177,938
Less Accumulated Depreciation	(237,615)	(227,939)	(219,238)	(209,921)	(198,283)
Net Real Estate Investment	1,088,970	1,076,884	1,006,253	1,010,484	979,655
Properties Held for Divestiture, net					12,931
Cash and Cash Equivalents	69,181	106,117	25,588	24,058	17,184
Notes and Other Receivables	44,940	41,586	63,960	74,828	58,566
Inventory	21,352	18,599	21,109	17,236	
Investments in and Advances to Affiliates	50,810	50,160	50,460	51,172	116,724
Other Assets	56,105	51,837	46,361	43,796	43,567
Total Assets	$ 1,331,358	$ 1,345,183	$ 1,213,731	$ 1,221,574	$ 1,228,627
LIABILITIES AND EQUITY					
Liabilities					
Line of Credit	$ -	$ -	$ 97,000	$ 101,654	$ 102,500
Mortgage Loans Payable	932,653	908,926	256,073	253,920	252,098
Senior Unsecured Notes	5,017	5,017	350,000	350,000	355,000
Preferred Operating Units	62,123	62,873	62,873	58,148	58,148
Collateralized Lease Obligations	-	-	-	9,606	9,673
Accounts Payable, Deposits and Accrued Liabilities	30,015	26,207	31,015	24,833	24,889
Total Liabilities	1,029,808	1,003,023	796,961	798,161	802,308
Minority Interests- Preferred OP Units	50,000	50,000	50,000	50,000	50,000
Minority Interests - Common OP Units and others	35,311	36,871	45,842	46,803	45,649
	85,311	86,871	95,842	96,803	95,649
Stockholders' Equity					
Preferred Stock	-	-	-	-	-
Common Stock	195	195	192	192	191
Paid in Capital	455,248	454,734	447,546	446,211	446,651
Officers' Notes	(9,884)	(10,136)	(10,136)	(10,299)	(10,583)
Deferred Compensation	(13,104)	(13,717)	(7,016)	(7,337)	(7,658)
Unrealized (losses) on interest rate swaps	(1,536)	80	(2,777)	(1,294)	(2,198)
Distributions in Excess of Net Income	(171,214)	(160,196)	(100,497)	(94,479)	(89,349)
Treasury Stock at Cost	(43,466)	(15,671)	(6,384)	(6,384)	(6,384)
Total Stockholders' Equity	216,239	255,289	320,928	326,610	330,670
Total Liabilities and Stockholders' Equity	$ 1,331,358	$ 1,345,183	$ 1,213,731	$ 1,221,574	$ 1,228,627
Common OP Units Outstanding	2,473	2,473	2,473	2,480	2,484
Number of Shares Oustanding	18,296	18,990	19,049	18,990	18,915

SUN COMMUNITIES

DEBT ANALYSIS

(in thousands)

	Quarter Ended				
	September 30, 2004	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003
DEBT OUTSTANDING					
Line of Credit	$ -	$ -	$ 97,000	$ 101,654	$ 102,500
Mortgage Loans Payable	932,653	908,926	256,073	253,920	252,099
Senior Unsecured Notes	5,017	5,017	350,000	350,000	355,000
Preferred Operating Units	62,123	62,873	62,873	58,148	58,148
Collateralized Lease Obligations	-	-	-	9,606	9,672
Total Debt	$ 999,793	$ 976,816	$ 765,946	$ 773,328	$ 777,419
% FIXED/FLOATING					
Fixed	89.44%	91.69%	74.27%	74.24%	73.61%
Floating	10.56%	8.31%	25.73%	25.76%	26.39%
Total	100.00%	100.00%	100.00%	100.00%	100.00%
AVERAGE INTEREST RATES					
Line of Credit			1.94%	2.05%	1.97%
Mortgage Loans Payable	4.88%	4.87%	4.46%	4.47%	3.95%
Senior Unsecured Notes	6.77%	6.77%	6.76%	6.76%	6.70%
Preferred Operating Units	6.80%	6.80%	6.80%	7.05%	7.05%
Collateralized Lease Obligations				5.51%	5.51%
Total Average	5.01%	5.01%	5.38%	5.23%	5.23%
DEBT RATIOS					
Debt/Total Market Cap	53.6%	53.2%	44.2%	46%	46%
Debt/Gross Assets	63.7%	62.1%	51.7%	52%	53%
COVERAGE RATIOS					
EBITDA/Interest	2.2	2.8	3.1	2.8	2.9
EBITDA/Interest + Preferred Distributions	1.9	2.3	2.5	2.3	2.6

	30-Sep-05	30-Sep-06	30-Sep-07	30-Sep-08	30-Sep-09
MATURITIES					
Line of Credit					
Mortgage Loans Payable .	14,348	32,635	55,191	15,532	24,777
Senior Unsecured Notes					
Preferred Operating Units		8,175	4,500		
Total	$ 14,348	$ 40,810	$ 59,691	$ 15,532	$ 24,777

SUN COMMUNITIES

STATEMENT OF OPERATIONS

(in thousands)

	Quarter Ended				
	September 30, 2004	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003
REVENUES					
Income from property	$ 40,960	$ 40,501	$ 42,868	$ 39,650	$ 39,090
Gross Profit from Home Sales	1,025	945	849	1,032	
Equity earnings (loss) from affiliates				667	27
Other income	3,080	2,304	2,919	3,741	3,920
Total revenues	45,065	43,750	46,636	45,090	43,037
EXPENSES					
Property operating and maintenance	10,738	10,068	10,228	10,197	10,091
Real estate taxes	3,520	3,353	3,166	2,941	2,937
Selling, general and administrative	4,586	4,271	4,236	5,034	2,581
Hurricane Expenses	600	-	-	-	-
Total expenses	19,444	17,692	17,630	18,172	15,609
EBITDA (1)	25,621	26,058	29,006	26,918	27,428
Recapitalization costs		(51,643)			
Deferred financing costs related to retired debt		(5,557)			
Interest expense	(11,812)	(10,100)	(9,265)	(9,996)	(7,352)
Preferred distributions	(2,192)	(2,184)	(2,179)	(2,140)	(2,136)
Other adjustments, net (see Note A)	28	1,156	(549)	1,869	(1,165)
NOTE: See FFO reconcilation on following page					
FFO contributed by continued operations (1)	11,645	(42,270)	17,013	16,651	16,775
FFO contributed by discontinued operations (1)	-	-	-	382	486
FUNDS FROM OPERATIONS ("FFO") (1)	11,645	(42,270)	17,013	17,033	17,261
Depreciation and amortization	(11,195)	(11,073)	(10,841)	(11,718)	(10,599)
Reduction in book value of equity investment					
Other adjustments, net (see Note A)	180	(889)	107	(1,785)	728
Minority interests	(76)	6,331	(709)	(799)	(816)
Income (loss) from continuing operations	554	(47,901)	5,570	2,349	6,088
Income from discontinued operations net of contribution to funds from operations	-	-	-	4,062	333
NET INCOME (LOSS)	554	(47,901)	5,570	6,411	6,421
FUNDS FROM OPERATIONS (1)	11,645	(42,270)	17,013	17,033	17,261
Less recurring capital expenditures	(1,926)	(1,894)	(1,111)	(1,787)	(1,977)
FUNDS AVAILABLE FOR DISTRIBUTION ("FAD") (1)	9,719	(44,164)	15,902	15,246	15,284
FFO PER SHARE/UNIT (1)	$0.57	($2.00)	$0.80	$0.81	$0.82
FAD PER SHARE/UNIT (1)	$0.47	($2.09)	$0.75	$0.72	$0.73
DISTRIBUTION PER SHARE/UNIT	$0.61	$0.61	$0.61	$0.61	$0.61
DILUTED FFO PER SHARE/UNIT	$0.56	($2.00)	$0.80	$0.80	$0.82
PAYOUT RATIO	107.0%	-30.5%	76.3%	75.3%	74.2%
WEIGHTED AVERAGE SHARES/UNITS	20,574	21,112	21,175	21,111	20,989

Note A: Other adjustments at September 30,2004, net include a valuation adjustment related to interest rate swaps and an interest rate cap agreement, and non-real estate related depreciation.

RECONCILIATION OF NET INCOME TO FUNDS FROM OPERATIONS
FOR THE PERIODS ENDED SEPTEMBER 30, 2004 AND 2003
(Amounts in thousands except for per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	**2003**	**2004**	**2003**
Net income (loss)	$ 554	$ 6,421	$ (41,777)	$ 17,303
Adjustments:				
Depreciation and amortization	11,195	10,708	33,109	31,817
Valuation adjustment[3]	(180)	(1,949)	302	(1,274)
Allocation of SunChamp losses[4]	-	1,221	300	3,158
Income (loss) allocated to minority interest	76	860	(5,546)	2,420
Funds from operations	$ 11,645	$ 17,261	$ (13,612)	$ 53,424
FFO - Continuing Operations	$ 11,645	$ 16,775	($13,612)	$ 51,886
FFO - Discontinued Operations	$ -	$ 486	$0	$ 1,538
Weighted average common shares/OP Units outstanding:				
Basic	20,574	20,989	20,954	20,586
Diluted	20,720	21,168	20,954	20,741
Continuing Operations:				
FFO per weighted average Common Share/OP Unit - Basic	$ 0.57	$ 0.80	$ (0.65)	$ 2.52
FFO per weighted average Common Share/OP Unit - Diluted	$ 0.56	$ 0.79	$ (0.65)	$ 2.50
Discontinued Operations:				
FFO per weighted average Common Share/OP Unit - Basic	$ -	$ 0.02	$ -	$ 0.08
FFO per weighted average Common Share/OP Unit - Diluted	$ -	$ 0.03	$ -	$ 0.08
Total Operations:				
FFO per weighted average Common Share/OP Unit - Basic	$ 0.57	$ 0.82	$ (0.65)	$ 2.60
FFO per weighted average Common Share/OP Unit - Diluted	$ 0.56	$ 0.82	$ (0.65)	$ 2.58

[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 imperfection related to hedging correlation in these swaps is reflected currently in cash as interest, the valuation adjustments reflect volatility that would distort the comparative measurement of FFO and on a net basis approximate zero. Accordingly, 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. A situation such as this is not contemplated in the NAREIT definition of FFO due to the unique circumstances of the transaction. Although not comparable to the precise NAREIT definition, the Company believes the inclusion of this item in its calculation of FFO to be appropriate as noted above.

SUN COMMUNITIES

STATEMENT OF OPERATIONS
SAME PROPERTY
(in thousands)

		Quarter Ended		9 Months Ended	
		Sept. 30, 2004	Sept. 30, 2003	Sept. 30, 2004	Sept. 30, 2003
REVENUES					
Income from Property		$ 35,728	$ 34,594	$109,736	$106,069
EXPENSES					
Real Estate Taxes		2,989	2,711	8,716	8,133
Payroll		2,682	2,525	8,009	7,847
Repairs and Maintenance		1,851	1,885	4,464	4,432
Utilities, Net		1,834	1,671	6,118	5,719
Other		1,036	988	3,039	3,129
Total Expenses		10,392	9,780	30,346	29,260
NET OPERATING INCOME ("NOI") (1)		$ 25,336	$ 24,814	$ 79,390	$ 76,809
NUMBER OF COMMUNITIES	(a)	108	108	108	108
NUMBER OF DEVELOPED SITES	(a)	39,706	39,744	39,706	39,744
NUMBER OF OCCUPIED SITES	(a)	34,605	35,315	34,605	35,315
OCCUPANCY PERCENTAGE	(b)	88.4%	90.4%	88.4%	90.4%
WEIGHTED AVERAGE RENT	(b)	$ 342	$ 326	$ 342	$ 326
SITES AVAILABLE FOR DEVELOPMENT		1,521	1,931	1,521	1,931
SITES IN DEVELOPMENT		5	5	5	5

(a) Includes MH and RV Sites
(b) Includes MH sites only

SUN COMMUNITIES

STATEMENT OF OPERATIONS
SAME PROPERTY -- PERCENTAGE GROWTH

	Quarter Ended	9 Months Ended	
	September 30, 2004	September 30, 2004	September 30, 2003
NUMBER OF COMMUNITIES	108	108	109
REVENUES			
Income from Property	3.3%	3.5%	2.7%
EXPENSES			
Real Estate Taxes	10.3%	7.2%	9.6%
Payroll	6.2%	2.1%	8.5%
Repairs and Maintenance	-1.8%	0.7%	25.4%
Utilities, Net	9.7%	7.0%	1.7%
Other	4.9%	-2.9%	2.9%
Total Expenses	6.3%	3.7%	9.0%
NET OPERATING INCOME ("NOI")	2.1%	3.4%	0.5%

Sun Communities

Capital Improvements, Development, and Acquisitions
(in thousands)

Notes

	Recurring Cap Ex. Average Per Site	A *Recurring Cap Ex.*	B Lot Mods	C Acq.	D Expansions & Dev.	E Revenue Producing
2002	$168	$7,102	$2,630	$70,653	$24,500	$7,833
2003	$148	$ 6,491	$2,343	$4,514	$14,426	$1,897
Thru 09/30/04	$108	$ 4,931	$2,424	$76,220	$8,475	$619

A. Includes capital expenditures necessary to maintain asset quality, including purchasing and replacing assets used to operate the community. These capital expenditures include major road, driveway, and pool repairs, clubhouse renovations, and adding or replacing street lights, playground equipment, signage, maintenance facilities, manager housing and property vehicles. Minimum capitalizable amount or project is $500. Excludes $1,700,000 related to main office move in 2003 and software conversion costs of $3,400,000 and $442,894 in 2003 and 2004 respectively.

B. Includes capital expenditures which improve the asset quality of the community. These costs are incurred when an existing older home (usually a smaller single-sectional home) moves out, and the site is prepared for a larger new home, more often than not, a multi-sectional home. These activities which are mandated by strict manufacturer's installation requirements and State building code include new foundations, driveways, and utility upgrades. The new home will be in the community for 30 to 40 years and these costs are depreciated over a 30 year life.

C. Acquisitions represent the purchase price of existing operating communities and land parcels to develop expansions or new communities. Acquisitions also include deferred maintenance identified during due diligence and those capital improvements necessary to bring the community up to Sun's standards. These include upgrading clubhouses, landscaping, new street light systems, new mailing delivery systems, pool renovation including larger decks, heaters, and furniture, new maintenance facilities, and new signage including main signs and internal road signs. These are considered as acquisition costs and while identified during due diligence, it sometimes requires six to twelve months after closing to complete.

D. These are the costs of developing expansions and new communities.

E. These are capital costs related to revenue generating activities, consisting primarily of cable TV, garages, sheds, and sub-metering of water and sewer. Occasionally, a special capital project requested by residents and accompanied by an extra rental increase will be classified as revenue producing. Capitalized revenue generating expenditures made by Sun Home Services, Inc. are excluded from this amount.

SUN COMMUNITIES

PROPERTY SUMMARY

	Quarter Ended				
	September 30, 2004	June 30, 2004	March 31, 2004	December 30, 2003	September 30, 2003
STABILIZED COMMUNITIES					
MICHIGAN					
Communities	43	42	40	40	43
Sites for Development	332	332	332	332	332
Developed Sites	13,454	13,062	12,637	12,637	13,091
Occupied	11,847	11,554	11,215	11,248	11,817
Occupancy %	88.1%	88.5%	88.7%	89.0%	90.3%
FLORIDA					
Communities	15	15	15	15	15
Sites for Development	520	528	537	544	555
Developed Sites	5,680	5,675	5,663	5,654	5,641
Occupied	5,575	5,564	5,548	5,535	5,516
Occupancy %	98.2%	98.0%	98.0%	97.9%	97.8%
INDIANA					
Communities	17	17	17	17	17
Sites for Development	422	422	422	422	422
Developed Sites	6,360	6,360	6,360	6,360	6,360
Occupied	5,069	5,184	5,169	5,177	5,304
Occupancy %	79.7%	81.5%	81.3%	81.4%	83.4%
OHIO					
Communities	10	10	10	10	10
Sites for Development	-	-	-	-	-
Developed Sites	2,917	2,917	2,917	2,917	2,917
Occupied	2,579	2,602	2,594	2,589	2,607
Occupancy %	88.4%	89.2%	88.9%	88.8%	89.4%
TEXAS					
Communities	6	6	6	6	6
Sites for Development	-	-	-	-	-
Developed Sites	1,496	1,496	1,496	1,495	1,494
Occupied	1,323	1,337	1,363	1,374	1,418
Occupancy %	88.4%	89.4%	91.1%	91.9%	94.9%
OTHER STATES					
Communities	14	14	14	14	15
Sites for Development	69	69	69	69	69
Developed Sites	5,537	5,537	5,537	5,537	5,814
Occupied	4,969	5,039	5,057	5,034	5,311
Occupancy %	89.7%	91.0%	91.3%	90.9%	91.3%

PROPERTY SUMMARY (continued)

	Quarter Ended				
	September 30, 2004	June 31, 2004	March 31, 2004	December 31, 2003	September 30, 2003
TOTAL--MH STABILIZED PORTFOLIO					
Communities	105	104	102	102	106
Sites for Development	1,343	1,351	1,360	1,367	1,378
Developed Sites	35,444	35,047	34,610	34,600	35,317
Occupied	31,362	31,280	30,946	30,957	31,973
Occupancy %	88.5%	89.3%	89.4%	89.5%	90.5%
NEW COMMUNITY DEVELOPMENT					
Communities	24	24	21	21	20
Sites for Development	6,012	6,058	5,488	5,389	5,582
Developed Sites	5,271	5,226	4,234	4,197	4,135
Occupied	3,137	3,133	2,497	2,462	2,424
Occupancy %	59.5%	60.0%	59.0%	58.7%	58.6%
RV PORTFOLIO SUMMARY					
Communities	12	12	12	12	12
Sites	5,011	5,029	5,068	5,078	5,090
Permanent	2,971	2,965	2,959	3,013	3,013
Seasonal	2,040	2,064	2,109	2,065	2,077
States					
Florida	3994	4014	4050	4057	4,068
Texas	860	858	861	864	865
Delaware	157	157	157	157	157

Notes: Communities as listed above, include only those communities which are open for occupancy while Sites for Development include additional communities for development which do not currently have available sites.

Communities total to more than 133 because certain communities have manufactured home and recreational vehicle components and are counted in each category and certain communities have both stabilized and development components.

SUN COMMUNITIES

OPERATING STATISTICS
YEAR TO DATE

MARKETS	***RESIDENT MOVE OUTS***	***NET LEASED SITES***	***NEW HOME SALES***	***PRE-OWNED HOME SALES***	***BROKERED RESALES***
Michigan	275	(170)	17	100	90
Florida	6	40	55	18	338
Indiana	213	(113)	1	53	17
Ohio	54	(9)	2	36	14
Texas	104	6	22	31	7
Other States	160	(52)	20	59	40
RV Communities	n/m	n/m	31	2	34
Through 09/30/2004	812	(298)	148	299	540
For the Year					
2003	1,328	(849)	257	283	626
2002	1,256	(172)	286	174	592
2001	1,108	214	438	327	584
2000	720	366	416	182	863
1999	974	756	648	152	766
1998	883	998	682	188	642
1997	702	798	584	118	555

	MOVE OUTS	**RESALES**
YTD 9/30/2004	3.3%	8.3%
2003	3.9%	7.4%
2002	3.8%	7.1%
2001	3.2%	7.4%
2000	2.4%	8.6%
1999	3.1%	8.5%
1998	3.0%	8.6%
1997	2.8%	8.5%
1996	2.8%	8.9%

Note: September 2004 move outs exclude move outs by finance companies.

SUN COMMUNITIES, INC.
FOOTNOTES TO SUPPLEMENTAL DATA

(1) Investors in and analysts following the real estate industry utilize funds from operations ("FFO"), net operating income ("NOI"), EBITDA and funds available for distribution ("FAD") as supplemental performance measures. While the Company believes net income (as defined by GAAP) is the most appropriate measure, it considers FFO, NOI, EBITDA and FAD, given their wide use by and relevance to investors and analysts, appropriate supplemental measures. FFO, reflecting the assumption that real estate values rise or fall with market conditions, principally adjusts for the effects of GAAP depreciation/amortization of real estate assets. 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. EBITDA provides a further tool to evaluate ability to incur and service debt and to fund dividends and other cash needs. FAD provides a further tool to evaluate ability to fund dividends. In addition, FFO, NOI, EBITDA and FAD are commonly used in various ratios, pricing multiples/yields and returns and valuation calculations used to measure financial position, performance and value.

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 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. Management generally considers FFO to be a useful measure for reviewing comparative operating and financial performance because, by excluding gains and losses related to sales of previously depreciated operating real estate assets 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 year over year, reflects the impact to operations from trends in occupancy rates, rental rates and operating costs, providing perspective not readily apparent from net income. Management believes that 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.

Because FFO excludes significant economic components of net income including depreciation and amortization, FFO should be used as an adjunct to net income and not as an alternative to net income. The principal limitation of FFO is that it 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. FFO only provides investors with an additional performance measure that, when combined with measures computed in accordance with GAAP such as net income, cash flow from operating activities, investing activities and financing activities, provide investors with an indication of the Company's ability to service debt and to fund acquisitions and other expenditures. Other REITS may use different methods for calculating FFO and, accordingly, the Company's FFO may not be comparable to other REITs.

NOI is derived from revenues (determined in accordance with GAAP) minus property operating expenses and real estate taxes (determined in accordance with GAAP). NOI does not represent cash generated from operating activities in accordance with GAAP and should not be considered to be an alternative to net income (determined in accordance with GAAP) as an indication of the Company's financial performance or to be an alternative to cash flow from operating activities (determined in accordance with GAAP) 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. The Company believes that net income is the most directly comparable GAAP measurement to net operating income. Because of the inclusion of items such as interest, depreciation and amortization, the use of net income 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. The Company believes that net operating income is helpful to investors as a 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 management tool when evaluating performance and growth of particular properties and/or groups of properties. The principal limitation of NOI is that it excludes depreciation, amortization and non-property specific expenses such as general and administrative expenses, all of which are significant costs, and therefore, NOI is a measure of the operating performance of the properties of the Company rather than of the Company overall

EBITDA is defined as NOI plus other income, plus (minus) equity earnings (loss) from affiliates, minus general and administrative expenses. EBITDA includes EBITDA from discontinued operations.

FAD is defined as FFO minus recurring capital expenditures. Recurring capital expenditures are those expenditures necessary to maintain asset quality, including major road, driveway and pool repairs, clubhouse renovations and adding or replacing street lights, playground equipment, signage and maintenance facilities.

FFO, NOI, EBITDA and FAD do not represent cash generated from operating activities in accordance with GAAP and are not necessarily indicative of cash available to fund cash needs, including the repayment of principal on debt and payment of dividends and distributions. FFO, NOI, EBITDA and FAD should not be considered as substitutes 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. FFO, NOI, EBITDA and FAD as calculated by the Company may not be comparable to similarly titled, but differently calculated, measures of other REITs or to the definition of FFO published by NAREIT.