



## Get to Know Your Stock: Sun Communities

Sun Communities Inc. (NYSE: SUI) was originally born as the hobby of a Detroit native doctor named Milton M. Shiffman, who happened to dabble in the development, acquisition, and construction of commercial properties in his spare time.

While still working as a doctor he began investing in real estate in 1964, and before long he retired from his medical practice to fully focus on what would become established as Sun Communities Inc.

In 1975 he began acquiring manufactured housing communities, slowly resembling more of what Sun Communities looks like today. In 1981, Milton retired from his medical practice to fully focus on growing Sun Communities, including making it a family business by building the company with his son, Gary, who is at the helm today.

During the real estate slump of the late 1980s, commercial property values dropped between 30-50%, and in response the IRS revised tax and ownership restrictions for REITs, ultimately leading to Milton and Gary making the decision to take the company public in order to expand farther in 1993.

When Sun Communities went public the company had a portfolio of 24 communities. Since then, Sun has invested more than \$4 billion dollars to acquire individual communities and multi-property portfolios and today boasts over 180,000 developed sites on more than 600 properties operating in the US, the UK, and Canada.

In March of 1996, Sun Communities bought 25 manufactured housing communities from Aspen Enterprises for \$225 million which would remain their largest transaction for quite some time. That is, until the Summer of 2016 when Sun Communities acquired CareFree Communities for \$1.68 billion dollars in a cash-free, debt-free transaction, and that would remain the largest acquisition in the company's history... until September of 2020! In October 2020, Sun Communities purchased Safe Harbor Marinas for an aggregated total of \$2.11 billion dollars; this transaction included 99 harbors directly owned and maintained by Safe Harbor.

Most recently, Sun Communities acquired Park Holidays UK for \$1.3 billion, developing its RV and campground division (under the Sun Outdoors brand).

The company now boasts over 170 locations offering RV berths or outdoor camping. The company's new website helps outdoor enthusiasts find exactly the experience that fits whether it be theme camping, "glamping", or pursuing local activities like parades and festivals.

Among the three divisions – Marinas, Manufactured Home Communities, and RV/Campgrounds, revenue is split about 50% to Manufactured Home, with the remainder divided about evenly between its other two segments.



Though Sun Communities took a hit during the pandemic, its recovery has been accelerating. Sun's historically positive trends are congruent with the anticipated rise in retirees in the coming years as well as a need for lower-priced housing.