

Liabilities			
Mortgage loan payable	\$ 1,412,147	1,434,320	1,423,492
Accounts payable and accrued expenses	176,557	185,076	103,337
Due to affiliates	31,631	25,576	36,538
Security deposits	82,480	64,810	66,655
Advance rents	18,125	15,305	15,047
Total Liabilities	1,720,940	1,725,087	1,645,069

Shareholders' Equity			
Common stock, \$1 par value, 5,020,000 shares authorized	2,245,411	2,245,411	2,245,411
Additional paid-in capital	12,237,215	12,562,080	12,379,669
Total Shareholders' Equity	14,482,626	14,807,491	14,625,080

Total Liabilities and Shareholders' Equity	\$ 16,203,566	16,532,578	16,270,149
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<TABLE>
Cedar Income Fund, Ltd.
Statements of Operations
(unaudited)

	<C>		<C>	
	Three Months Ended June 30,	1996	Six Months Ended June 30,	1996
<S>				
REVENUE				
Rents	\$ 603,699	521,652	1,143,318	1,080,699
Interest	19,923	23,251	41,219	46,496
Total Revenue	623,622	544,903	1,184,537	1,127,195
EXPENSES				
Property expenses:				
Real estate taxes	64,070	62,617	128,493	125,340
Wages and salaries	5,436	5,423	10,584	10,779
Repairs and maintenance	87,338	63,234	162,873	119,691
Utilities	35,735	34,039	67,546	68,261
Management fee	30,185	26,082	57,166	54,035
Insurance	4,835	5,227	9,748	9,538
Other	26,621	29,540	51,724	53,344
Property expenses, excluding depreciation	254,220	226,162	488,134	440,988
Depreciation	105,575	109,063	217,934	218,712
Total property expenses	359,795	335,225	706,068	659,700
Interest	34,103	34,615	68,340	69,351
Administrative fees	25,266	25,004	50,619	49,979
Directors' fees and expenses	10,034	9,879	21,899	21,023
Other administrative	12,003	11,256	30,983	32,197
Total Expenses	441,201	415,979	877,909	832,250
Net earnings	\$ 182,421	128,924	306,628	294,945
Net earnings per share	\$.08	.06	.14	.13
Dividends to shareholders	\$ 224,541	224,541	449,082	449,082
Dividends to shareholders per share	\$.10	.10	.20	.20
Average number of shares outstanding	2,245,411	2,245,411	2,245,411	2,245,411

<TABLE>
Cedar Income Fund, Ltd.
Statements of Cash Flows
(unaudited)

	<C>		<C>	
	Six Months Ended June 30,		1997	1996
<S>				
CASH FLOWS FROM OPERATING ACTIVITIES:				
Rents collected		\$ 1,158,002	1,090,091	
Interest received		41,251	46,526	
Payments for operating expenses		(601,774)	(498,508)	
Interest paid		(66,507)	(67,518)	
Net cash provided by operating activities		530,972	570,591	
CASH FLOWS FROM INVESTING ACTIVITIES:				
Capital expenditures		(298,001)	-	
Principal portion of scheduled mortgage loan collections		4,676	4,296	
Security deposits collected, net		15,825	(2,059)	

Net cash provided (used) by investing activities	(277,500)	2,237
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal portion of scheduled mortgage loan payments	(11,345)	(10,334)
Dividends paid to shareholders	(449,082)	(449,082)
Net cash used by financing activities	(460,427)	(459,416)
Net increase (decrease) in cash and cash equivalents	(206,955)	113,412
Cash and cash equivalents at beginning of period	670,306	772,144
Cash and cash equivalents at end of period	\$ 463,351	885,556
RECONCILIATION OF NET EARNINGS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net earnings	\$ 306,628	294,945
Add (deduct) reconciling adjustments:		
Depreciation	217,934	218,712
Amortization	1,833	1,833
Increase in rent and other receivables	(16,075)	(35,226)
Decrease in interest receivable	32	30
Decrease in prepaid expenses	8,500	3,351
Increase in deferred lease commissions	(59,271)	(2,057)
Increase in operating accounts payable and accrued expenses	73,220	85,403
Decrease in due to affiliates	(4,907)	(3,186)
Increase in advance rents	3,078	6,786
Net cash provided by operating activities	\$ 530,972	570,591

</TABLE>

NOTES TO FINANCIAL STATEMENTS

Note 1: The unaudited interim financial statements are prepared in accordance with generally accepted accounting principles and include all adjustments of a normal recurring nature necessary for a fair presentation of the financial position and quarterly results. Interim reports should be read in conjunction with the audited financial statements and related notes included in the 1996 Annual Report.

Note 2: Shareholders' equity, December 31, 1996	\$ 14,625,080
Net earnings	306,628
Dividends to shareholders	(449,082)
Shareholders' equity, June 30, 1997	\$ 14,482,626

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

We are pleased to present the second quarter report for Cedar Income Fund, Ltd. Net earnings for the three and six months ended June 30, 1997 were \$182,421 (\$.08 per share) and \$306,628 (\$.14 per share), respectively, compared to \$128,924 (\$.06 per share) and \$294,945 (\$.13 per share) for the same periods in 1996. Net earnings increased slightly from 1996 to 1997, primarily due to an increase in rental income at Corporate Center East in Bloomington, Illinois, partially offset by an increase in repairs and maintenance expense. The Company's real estate portfolio had an overall occupancy rate of 97% at June 30, 1997.

Rental income for the three and six months ended June 30, 1997 was \$603,699 and \$1,143,318, respectively, compared to \$521,652 and \$1,080,699 for the same periods in 1996. This increase is attributable to the Company's eventual success in locating replacement tenants at Corporate Center East for 20,000 square feet of space that had been vacant since the end of 1995. Rental income at Broadbent Business Center in Salt Lake City, Utah increased by \$27,000 for the six months ended June 30, 1997 compared to the same period one year ago due to an increase in occupancy. This increase was offset by a \$29,000 decrease in rental income at Southpoint Parkway in Jacksonville, Florida due to a decrease in occupancy experienced during the first quarter of 1997. The Company has subsequently leased this vacant space at Southpoint to an existing tenant who began paying rent on the entire space in May 1997. Rental income at Germantown Square in Louisville, Kentucky was relatively unchanged from a year ago. Interest income decreased by 11% due to a lower balance of funds available for investment.

Total property expenses, excluding depreciation, increased from \$440,988 for the first six months of 1996, to \$488,134 for the same period in 1997, representing 41% and 43% of rental income, respectively. Repairs and maintenance were higher for the first six months of 1997 compared to the same period in 1996 primarily due to tenant remodeling and other

expenses incurred in 1997 that were not required last year. As mentioned above, the Company has been successful in locating replacement tenants for the vacant spaces that existed at Corporate Center East and Southpoint. As a result of releasing this space, the Company incurred capital expenditures of \$298,000 and lease commissions of \$73,000 through June 30, 1997.

Capital resources of the Company consist of equity in real estate investments and a mortgage loan receivable. The Company maintains its real estate in good condition and provides adequate insurance coverage. The Company's liquidity at June 30, 1997 is represented by cash and cash equivalents, a mortgage loan participation, and cash flow from operating activities. This liquidity is considered sufficient to meet current obligations, including capital expenditures.

The Board of Directors declared a dividend of \$.10 per share, payable August 18, 1997 to shareholders of record August 5, 1997. The Board of Directors will continue to consider leasing prospects, operating results and the financial condition of the Company in determining future dividends.

SIGNATURE

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

CEDAR INCOME FUND, LTD.

/s/ Alan F. Fletcher
Alan F. Fletcher
Vice President and Treasurer
(principal financial officer)

/s/ Roger L. Schulz
Roger L. Schulz
Controller
(principal accounting officer)

Dated: August 1, 1997

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