SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 30, 2001

CEDAR INCOME FUND, LTD.

(Exact name of registrant as specified in charter)

Maryland	0-14510	42-1241468
(State or other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

44 South Bayles Avenue, Port Washington, New York	11050
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (516) 767-6492

(Former name or former address, if changed since last report)

Cedar Income Fund, Ltd.

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Item 6. Exhibits and Reports on Form 8-K and 8-K/A

Signatures

Part I. Financial Information
Item 1. Financial Statements (unaudited)

Cedar Income Fund, Ltd.
Consolidated Balance Sheets

<TABLE>
<CAPTION>

<S>	September 30, 2001 (unaudited) <C>	December 31, 2000 <C>
Assets		
Real Estate		
Land	$ 5,082,028	$ 5,681,696
Buildings and improvements	23,973,268	22,589,834
	29,055,296	28,271,530
Less accumulated depreciation	(3,079,843)	(4,176,607)
Real estate	25,975,453	24,094,923
Real estate held for sale	--	1,850,000
Property deposit	350,000	--
Cash and cash equivalents	2,530,988	841,111
Restricted cash	4,437,541	7,298,671
Rents and other receivables	115,548	211,685
Deferred financing costs, net	406,054	831,128
Deferred legal, net	59,602	98,833
Prepaid expenses, net	145,961	100,720
Deferred leasing commissions	437,868	79,960
Deferred rental income	25,474	43,762
Taxes held in escrow	106,600	152,963
Total Assets	$ 34,591,089	$ 35,603,756
Liabilities and Shareholders' Equity		
Liabilities		
Mortgage loan payable	$ 17,900,000	$ 17,900,000
Line of credit	--	1,515,644
Accounts payable and accrued expenses	228,375	670,351
Security deposits	19,832	66,980
Advance rents	22,926	103,261
Total Liabilities	18,171,133	20,256,236
Minority interest	2,270,856	2,291,110
Limited partner's interest in consolidated Operating Partnership	10,035,484	9,241,509
Shareholders' Equity		
Common Stock ($0.01 par value)		--
50,000,000 shares authorized, 692,111 shares outstanding	6,921	6,921
Additional paid-in capital	3,807,980	3,807,980
Undistributed net income	298,715	--
Total Shareholders' Equity	4,113,616	3,814,901
Total Liabilities and Shareholders' Equity	$ 34,591,089	$ 35,603,756

</TABLE>

See Accompanying Notes to Consolidated Financial Statements

Cedar Income Fund, Ltd.
Consolidated Statements of Shareholders' Equity
(unaudited)

<TABLE>
<CAPTION>

<S>	Common Stock <C>	Additional Paid-In Capital <C>	Undistributed Net Income <C>	Total Shareholders' Equity <C>
Balance at December 31, 2000	$ 6,921	$3,807,980	--	$3,814,901

Undistributed net income	--	--	298,715	298,715
	----------	----------	----------	----------
Balance at September 30, 2001	$ 6,921	$3,807,980	$ 298,715	$4,113,616
	==========	==========	==========	==========

</TABLE>

See Accompanying Notes to Consolidated Financial Statements

Cedar Income Fund, Ltd.

Consolidated Statement of Operations

(unaudited)

<TABLE>
<CAPTION>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
REVENUE				
Rents	$ 822,332	$ 934,045	$ 2,582,793	$ 2,148,013
Interest	38,380	31,918	226,930	128,454
	-----------	-----------	-----------	-----------
Total Revenue	860,712	965,963	2,809,723	2,276,467
	-----------	-----------	-----------	-----------
EXPENSES				
Property expenses:				
Payroll	17,831	14,042	45,258	14,042
Real estate taxes	69,362	92,999	244,674	217,753
Repairs and maintenance	54,991	61,723	228,098	177,301
Utilities	49,775	95,417	168,738	174,137
Management fee	26,362	33,968	92,534	94,353
Insurance	7,152	12,115	28,853	24,751
Other	48,551	49,453	157,710	90,453
	-----------	-----------	-----------	-----------
Property expenses, excluding depreciation	274,024	359,717	965,865	792,520
Depreciation	148,398	149,174	400,907	370,447
Amortization	10,226	60,698	63,809	82,360
	-----------	-----------	-----------	-----------
Total property expenses	432,648	569,589	1,430,581	
Interest	293,425	225,904	960,081	298,569
Administrative fees	41,397	24,468	89,567	73,404
Directors' fees and expenses	24,468	18,058	73,404	59,999
Other administrative	92,840	105,045	201,069	

				283,108
Total Expenses	884,778	943,064	2,754,702	1,960,407
Net income before minority interest	(24,066)	22,899	55,021	316,060
Minority interest	(26,183)	(25,991)	(20,254)	(25,991)
Net income before loss on impairment and gain/loss on disposal	(50,249)	(3,092)	34,767	290,069
Loss on impairment	--	--	--	(203,979)
Loss on disposal	--	--	(295,610)	--
Gain on disposal	--	--	1,638,416	68,512
Net (loss) income before limited partner's interest in Operating Partnership	(50,249)	(3,092)	1,377,573	154,602
Limited partner's interest	23,449	(25,286)	(996,532)	(151,474)
Net (loss) income before cumulative effect adjustment	(26,800)	(28,378)	381,041	3,128
Cumulative effect of change in accounting principles, net of limited partner's share of ($14,723)	--	--	(6,014)	--
Net loss income before extraordinary items	(26,800)	(28,378)	375,027	3,128
Extraordinary items				
Early extinguishment of debt (net of limited partner's share of $187,834)	--	--	(76,312)	--
Early extinguishment of debt (net of limited partner's share of $32,073)	--	--	--	(17,502)
Net (loss) income	$ (26,800)	$ (28,378)	$ 298,715	$ (14,374)
Net (loss) earnings per share before cumulative effect adjustment	$ (0.04)	$ (0.03)	$ 0.55	$ 0.00
Cumulative change in accounting principle	$ --	$ --	$ (0.01)	$ --
Net (loss) earnings per share before extraordinary items	$ (0.04)	$ (0.03)	$ 0.54	$ 0.00
Extraordinary loss per share	$ --	--	$ (0.11)	--
Extraordinary loss per share	$ --	$ --	$ --	$ (0.02)
Net (loss)earnings per share	$ (0.04)	$ (0.03)	$ 0.43	$ (0.02)
Dividends to shareholders	--	$ 79,211	$ --	$ 267,951
Dividends to shareholders per share	$ --	$ 0.09	$ --	$ 0.29

Average number of shares outstanding	692,111	843,200	692,111	932,396

</TABLE>

See Accompanying Notes to Consolidated Financial Statements

Cedar Income Fund, Ltd.
Consolidated Statement of Cash Flow

(unaudited)

<TABLE>
<CAPTION>

	Nine Months Ended	
	Sept. 30, 2001	Sept. 30, 2000
<S>	<C>	<C>
Net Income	$ 298,715	$ (14,374)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Limited partner's interest in Operating Partnership	996,532	151,474
Minority interest share of income	20,254	25,991
Gain on sale of Broadbent Business Center	(1,638,416)	--
Loss on sale of Corporate Center East	295,610	--
Gain on sale of Germantown Square	--	(91,012)
Loss on real estate impairment	--	203,979
Cumulative effect of change in accounting principle	20,737	--
Early extinguishment of debt	264,146	(49,575)
Depreciation and amortization	464,716	370,447
Decrease in deferred rental receivable	18,288	2,156
Changes in operating assets and liabilities:	--	--
Decrease in rent and other receivables	96,137	28,043
(Increase) decrease in prepaid expenses	(45,241)	7,476
Decrease in deferred lease commissions	33,936	27,852
Decrease in deferred legal	39,231	--
Decrease in taxes held in escrow	46,362	6,259
(Decrease) increase in accounts payable	(98,886)	394,946
Decrease in amounts due from co-tenancy partner	--	56,993
Decrease in due to co-tenancy partner	--	(46,158)
Security deposits collected, net	(47,367)	(6,878)
(Decrease) increase in advance rents	(80,116)	353
Net cash provided by operating activities	684,638	1,067,972
Cash Flow from Investing Activities		
Capital expenditures	(5,656,784)	(176,875)
Deferred costs	--	(62,233)
Decrease in construction payable	(343,090)	--
Payment of long-term leasing commissions	(391,844)	--
Decrease in restricted cash	2,861,130	(772,288)
Sale of Broadbent Business Center	4,839,941	--
Sale of Corporate Center East	1,722,458	--
Sale of Germantown Square	--	2,982,641
Acquisition of 50% of The Point Associates, L.P.	--	(2,030,092)
Property deposits	(350,000)	--
Net cash provided by (used in) investing activities	2,681,811	(58,847)
Cash Flow from Financing Activities		
Payoff of mortgage payable	--	(1,346,750)
Line of credit	(1,515,644)	1,515,644
Dividends paid	--	(492,951)
Distributions to limited partner	--	(493,517)
Financing costs	(160,928)	(390,960)
Reacquisition of Treasury Stock	--	(690,000)
Net cash used in financing activities	(1,676,572)	(1,898,534)
Net increase (decrease) in cash and cash equivalents	1,689,877	(889,409)
Cash and cash equivalents at beginning of the period	841,111	2,298,334
Cash and cash equivalents at end of the period	$ 2,530,988	$ 1,408,925
Supplemental disclosure of cash activities		
Interest paid	$ 960,081	$ 298,569

</TABLE>

See Accompanying Notes to Consolidated Financial Statements

Cedar Income Fund, Ltd.

Note 1. Background, Organization and Reorganization of the Company

Cedar Income Fund, Ltd. (the "Company") was originally incorporated in Iowa on December 10, 1984 and qualified to operate as a real estate investment trust ("REIT"). Shortly thereafter, the Company's Common Stock was listed on the NASDAQ securities market. In June 1998, the Company was reorganized and included in an "umbrella partnership REIT" structure. Following such reorganization, substantially all of the Company's assets consisted of the controlling general partnership interest of a limited partnership (the "Operating Partnership") and approximately 24% of the limited partnership interests ("Units").

Cedar Bay Realty Advisors, Inc. ("CBRA") serves as investment advisor to the Company pursuant to an Administrative and Advisory Agreement with the Company. Brentway Management LLC ("Brentway" and/or "Property Manager"), a New York limited liability company, provides property management services for the Company's properties pursuant to a Management Agreement with the Company. Brentway and CBRA are both affiliates of Cedar Bay Company, a New York general partnership, which owns approximately 27% of the outstanding stock of the Company, and approximately 71% of the Units, SKR Management Corp. ("SKR") and Leo S. Ullman. Leo S. Ullman is President and Chairman of the Board of Directors of the Company.

The terms of the Administrative and Advisory Agreement and Management Agreement are further discussed in "Related Party Transactions" below.

The Company continues to operate as a REIT. To qualify as a REIT under applicable provisions of the Internal Revenue Code of 1986, as amended, and Regulations thereto, the Company must have a significant percentage of its assets invested in, and income derived from, real estate and related sources. The Company's objectives are to provide to its shareholders a professionally managed, diversified portfolio of commercial real estate investments which will provide the best available cash flow and present an opportunity for capital appreciation.

Note 1. Background, Organization and Reorganization of the Company (continued)

The Company's shares are traded on the NASDAQ (Small Cap Market) under the symbol "CEDR".

The Company, through its Operating Partnership, owns and operates an office property of approximately 79,000 square feet in Jacksonville, Florida and owns a 50% interest in a supermarket-anchored shopping center of approximately 260,000 square feet in Harrisburg, Pennsylvania (the "Point") through its general partnership interest in the owning partnership, The Point Associates, L.P.

Currently, a Unit in the Operating Partnership and a share of Common Stock of the Company have essentially the same economic characteristics, as they effectively share equally in net income or loss and distributions of the Operating Partnership.

Note 2. Description of Business and Significant Accounting Policies

Basis of Presentation and Summary of Significant Accounting Policies

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month and nine month periods ended September 30, 2001 are not necessarily indicative of the results that may be expected for year ending December 31, 2001.

The balance sheet at December 31, 2000 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

For further information, refer to the consolidated financial statements and footnotes thereto included in the Registrant Company's Annual Report on Form 10-K for the year ended December 31, 2000.

Note 2. Description of Business and Significant Accounting Policies (continued)

Basis of Presentation and Summary of Significant Accounting Policies (continued)

Consolidation Policy and Related Matters

The accompanying consolidated financial statements include the Company and the Operating Partnership as of September 30, 2001. All significant intercompany balances and transactions have been eliminated in consolidation.

As the Company owns the sole general partnership interest in the Operating Partnership, which provides the Company with effective control over all significant activities of the Operating Partnership, the Operating Partnership is consolidated with the Company in the accompanying financial statements as of September 30, 2001. The limited partner's interest as of September 30, 2001 (currently owned entirely by CBC) represents approximately a 71% limited partnership interest in the equity of the Operating Partnership. The Company owns the sole general partnership interest in The Point Associates, L.P., which is consolidated with the Company in the accompanying financial statements as of December 31, 2000. The minority interest represents the limited partner's 50% interest in such partnership.

The accompanying 2000 financial statements include the Company's 50% co-tenancy interest in the operations of the Germantown Square, Louisville, Kentucky ("Germantown") property. During the second quarter of 2000, the Company sold its 50% co-tenancy interest in this property. The September 30, 2000 Consolidated Statement of Operations reflects the activity of Germantown through May 11, 2000, the date of the sale.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Stock Options

The Company has elected to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25") and related interpretations in accounting for its employee stock options because, the alternative fair value accounting provided for under Financial Accounting Standard Board ("FASB") Statement No. 123, "Accounting for Stock-Based Compensation," ("SFAS 123") requires use of option valuation models that were not developed for use in valuing employee stock options.

Note 2. Description of Business and Significant Accounting Policies (continued)

The Company established a stock option plan (the "Plan") for the purpose of attracting and retaining executive officers, directors and other key employees. Five Hundred Thousand (500,000) of the Company's authorized shares of Common Stock have been reserved for issuance under the Plan. The Plan is administered by a committee of the Board of Directors, which committee will, among other things, select the number of shares subject to each grant, the vesting period for each grant and the exercise price (subject to applicable regulations with respect to incentive stock options) for the options.

On July 10, 2001, the Board of Directors of the Company resolved that the Company issue to each then-current member of the Board (five members), options to purchase 10,000 shares of Common Stock of the Company at $3.50 per share (the quoted price on the NASDAQ (Small Cap) Stock Market as of the market close of business on July 3, 2001). The options shall remain outstanding for a period of ten years from July 10, 2001. The options shall vest ratably 33.3% after one year of service commencing on July 10, 2001, and an additional 33.3% as of each of the next two following anniversary dates, provided, in each case, that the respective Director has remained a director of the Company for the entire one-year period preceding the respective date. Pursuant to such resolution, options to purchase 50,000 shares of Common Stock of the Company at $3.50 per share were issued to the five board members.

Recent Pronouncements - Changes in Accounting Policy

FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), establishes accounting and reporting standards for derivative instruments and for hedging activities. It requires the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If a derivative is a hedge, depending on the nature of the hedge, changes in the fair value of the derivative will either be offset against the changes in fair value of the hedges asset, liability, or firm commitment through earnings, or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. As of January 1, 2001, the Company's only hedge was written-down to fair value with a cumulative effect of change in accounting principle adjustment of $6,014, which is net of the Operating Partnership's share of $14,723.

In June 1999, the FASB issued Statement No. 137, amending SFAS 133, which extended the required date of adoption to the years beginning after June 15, 2000. The Statement permits early adoption as of the beginning of any fiscal quarter after its issuance. The Company adopted the new Statement effective January 1, 2001. As of September 30, 2001, the hedge has effectively no value and has been adjusted in accordance with SFAS 133.

Note 2. Description of Business and Significant Accounting Policies (continued)

Income Taxes

The Company generally will not be subject to federal income taxes as long as it qualifies as a REIT under Sections 856-869 of The Internal Revenue Code of 1986, as amended (the "Code"). A REIT will generally not be subject to federal income taxation on that portion of income that qualifies as REIT taxable income and to the extent that it distributes such taxable income to its stockholders and complies with certain requirements of the Code relating to income and assets. As a REIT, the Company is allowed to reduce taxable income by all or a portion of distributions to stockholders and must distribute at least 90% of its REIT taxable income to maintain qualification as a REIT. Due to the subsequent completion of the 1031 exchange relative to the Broadbent property, there is no taxable incomethrough September 30, 2001.

Impairment of Long-Lived Assets

The Company's real estate assets are reviewed for impairment whenever events or changes in circumstances indicate that the net carrying amount may not be recoverable. When such events occur, the Company measures impairment by comparing the carrying value of the long-lived asset to the estimated undiscounted future cash flows expected to result from use of the assets and their eventual disposition. If the sum of the expected undiscounted future cash flows is less than the carrying amount of the assets, the Company would recognize an impairment loss. Management during the quarter ended June 30, 2000 recognized a $203,979 impairment loss related to the Corporate Center East - Phase I, Bloomington, Illinois ("Corporate Center East") property. No provision was required during the nine months ended September 30, 2001.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Fair Values of Financial Instruments

The following methods and assumptions were used by the Company in estimating its fair value disclosures for financial instruments.

Cash and cash equivalents: The carrying amounts of cash and cash equivalents approximate their fair values.

Note 2. Description of Business and Significant Accounting Policies (continued)

Fair Values of Financial Instruments (continued)

Mortgage loan payable: The fair value of the mortgage loan payable is estimated utilizing discounted cash flow analysis, using interest rates reflective of current market conditions and the risk characteristics of the loans and approximate carrying value.

Interest cap: The fair value of the interest rate cap approximates its carrying value.

Note 3. Significant Transactions

On May 11, 2000, pursuant to the provisions of a "buy-sell" provision in its tenancy-in-common agreement with Life Investors Insurance Company of America ("Life Investors"), an affiliate of the Company's former management company and advisor, the Company sold to Life Investors an undivided 50% interest in Germantown, a 74,267 s.f. retail property, for $3,000,000. As of July 1, 2000, the Company, through its Operating Partnership, invested a substantial portion of the proceeds from such sale for the purchase of a 50% sole general partnership interest in The Point for approximately $2.1 million over then-existing indebtedness of $9.3 million plus closing costs of approximately $385,000. That property interest was purchased from an affiliate of CBC, which owns the balance as a limited partner, after receipt by the Company of a "fairness opinion" with respect to the terms of such purchase.

On May 22, 2001, the Operating Partnership, pursuant to a Contract of Sale dated May 7, 2001, sold its interest in the Broadbent Business Center, Salt Lake City, Utah ("Broadbent"), to Business Property Trust, LLC for $5.3 million. The Operating Partnership incurred closing expenses of approximately $500,000, including a broker's commission of $250,000, a "Rent Guarantee Deposit" of $100,000, a disposition fee of $53,000 and legal and other closing adjustments of approximately $100,000.

The net cost basis of Broadbent on the books of the Operating Partnership as of the closing date was $3,210,723, resulting in a gain of approximately $1.6 million. Management reinvested the proceeds of sale in certain qualifying properties structured to defer income tax on such gain pursuant to the "like-kind exchange" provisions of Section 1031 of the Internal Revenue Code. The Company used the proceeds of sale to purchase three supermarket-anchored shopping centers, containing in the aggregate approximately 470,000 rentable square feet, located in eastern Pennsylvania and southern New Jersey. Such acquisition is discussed below.

Note 3. Significant Transactions (continued)

On June 28, 2001, the Operating Partnership, pursuant to a Contract of Sale dated June 4, 2001, sold its interest in Corporate Center East, to CIP, LLC for $1.86 million. The Operating Partnership incurred closing expenses of approximately $86,000, including a broker's commission of $55,800 and legal and other closing adjustments of approximately $30,000. The net sales proceeds received by the Operating Partnership, after the aforementioned closing costs, and property taxes of approximately $51,000, were approximately $1.72 million.

The net cost basis of Corporate Center East on the books of the Operating Partnership as of the closing date was approximately $2,000,000. The net sales price, after closing costs and the write-off of deferred leasing costs and prepaid expense of approximately $81,000, was $1,692,087 resulting in a loss of approximately $300,000 during the quarter ended June 30, 2001. The cost basis for the property had been reduced by approximately $204,000 on the books of the Company during the second quarter of 2000, to adjust the value to fair market when the property was reclassified to "real estate held for sale", and is classified as such at December 31, 2000.

As of October 9, 2001, pursuant to an Agreement of Sale dated as of May 16, 2001, the Operating Partnership through a number of newly-created limited liability companies, in which the Operating Partnership, directly or indirectly, is the managing (or sole) member, purchased three shopping center properties and a certain land parcel from entities controlled, directly or indirectly by Bryant Development Corp. of Purchase, NY, for an aggregate purchase price of $35,034,353 plus closing costs, adjustments, and reserves of approximately $2.8 million.

The properties consist of the following:

1. Academy Plaza, Philadelphia, PA, a 154,836 s.f. community shopping center anchored by a 50,000 s.f. Acme Supermarket, at a contract purchase price of $11,607,515;

2. Port Richmond Village, Philadelphia, PA, a 156,471 s.f. community shopping center anchored by a 40,000 s.f. Thriftway, at a contract purchase price of $14,216,502;

Note 3. Significant Transactions (continued)

3. Washington Centre Shoppes, Sewell, NJ, a 157,146 s.f. community shopping center anchored by a 66,046 s.f. Acme Supermarket, at a contract purchase price of $8,960,336; and

4. 304 Greentree Road, Sewell, NJ, an approximate 34,500 s.f. development parcel, at a contract purchase price of $250,000.

The three shopping center properties were appraised by Integra Realty Resources-Philadelphia, licensed general appraisers in Pennsylvania and New Jersey, at approximately $13,300,000, $14,900,000 and $9,000,000, respectively. The Greentree Road parcel has not been separately appraised.

The properties were purchased subject to first mortgages of approximately $10,715,000 on the Academy Plaza property, $11,610,000 on the Port Richmond property and $5,986,000 on the Washington Centre property. The balance of the purchase price was funded with approximately $3,365,000 of the net proceeds of the sale of the Broadbent Business Center in Salt Lake City, Utah (completing a tax-deferred "like-kind exchange" under Section 1031 of the Internal Revenue Code) and the net proceeds of a certain financing in the amount of $6 million made available by SWH Funding Corp. of Hackensack, NJ ("SWH"), secured by a first mortgage on Southpoint Parkway Center, Jacksonville, FL ("Southpoint"), an office building of approximately 79,000 s.f. on 11.73 acres of land owned in fee by the Operating Partnership. The Southpoint property was unencumbered immediately prior to such financing. Approximately $150,000 of monies required at closing was funded from operations.

As a result of the SWH financing and the related mandatory payments, Southpoint will be actively marketed for sale and will be classified as "real estate held for sale" effective October 9, 2001.

The first mortgage loans which encumber the respective shopping center properties are at interest rates of 7.275% for the Academy Plaza property, 7.174% for the Port Richmond Village property and 7.53% for the Washington Centre Shoppes property and mature respectively on March 10, 2013, April 10, 2008 and November 11, 2007.

The SWH financing arrangements involve a term of three years, maturing November 1, 2004, with a right to extend for two additional eighteen month periods upon payment of certain fees, and subject to certain additional minimum monthly and annual or "back-end" payments, and to certain additional participations in gain in value payable at the earliest of the repayment date, maturity or the date of sale of the (three) shopping center properties described above.

Payments to SWH pursuant to the financing arrangements shall be at a rate of 12.5% per annum on the outstanding balance. In addition, an "equity fee" in an amount equal to the greater of $350,000 or 10% of the gain in value of the properties as determined by appraisal is payable at maturity. Further, SWH shall be entitled to "exit fees" of $120,000 if the entire principal is paid prior to October 2002, thereafter additional amounts accrue at 1/3% per month during the period October 2002 - November 2004; 1/2% per month during the extension period from November 2004 - November 2005; and 2/3% per month during the extension periods from November 2005 - November 2007. A loan fee of $225,000 was paid to SWH at closing.

Note 3. Significant Transactions (continued)

Amortization payments of $10,000 are required during each of the first three months, $20,000 for each of the 7th through the 12th months, $45,833.33 for the 13th through the 24th month, and $41,666.67 for the 25th through the 36th month. In addition there is a mandatory payment of $4.5 million on or prior to the 12th month and an additional mandatory payment of $300,000 on or prior to the 18th month.

The obligations of the Operating Partnership under the SWH financing agreement are guaranteed by the Company.

A wholly-owned subsidiary of SWH and the Operating Partnership have formed Cedar Center Holdings L.L.C. 3, which, in turn, is the sole member of each of the four limited liability companies which, indirectly through other limited liability companies, respectively, own each of the three shopping center properties acquired by the Operating Partnership. SWH has no interest in profits or assets of Cedar Center Holdings L.L.C. 3; however, SWH shall have the right, pursuant to the operating agreement of such LLC, to acquire operating control of the above mentioned three shopping center properties in the event of a default by the Operating Partnership or its affiliatesof certain terms of the SWH loan.

As additional security for the SWH loan, the Operating Partnership has pledged to SWH Funding Corp., its rights to distributions from the Operating Partnership's 100% membership interest in Cedar Center Holdings L.L.C. 3. Under the pledge, SWH has no rights to such distributions unless and until an event of default occurs.

Property management for each of the three shopping center properties acquired by the Operating Partnership will be provided by Brentway , which will receive management, leasing and construction management fees. Management fees shall be at 4% of gross rental receipts; leasing and construction management fees shall be standard for the industry.

Pursuant to the Advisory Agreement CBRA was entitled to receive an acquisition fee in the amount of $1,737,500 (5%) with respect to the acquisition of the three supermarket-anchored shopping centers and corresponding land parcel acquired on October 9, 2001, CBRA has agreed to accept a fee in the amount of $173,750 (one-half of 1%). As for the balance of the fee, CBRA has agreed to (i) waive a portion in the amount of $868,750 (2.5%) and (ii) defer a portion in the amount of $696,000 (2%), pursuant to the terms of the Advisory Agreement, which provide generally that the deferred amounts are reduced and eventually eliminated if CBRA remains investment advisor to the Company beyond December 31, 2009.

Note 4. Mortgage Loan Payable and Related Matters

On October 30, 1992, the Company borrowed $1,500,000 to finance an existing property. The Company paid off the mortgage loan on May 10, 2000 with a drawdown on its commercial bank line of credit. The total due to the mortgagee was $1,358,789 which amount was net of the real estate tax escrow and included accrued interest and a 3% pre-payment penalty of $40,104. Such prepayment penalty along with unamortized loan fees were included in the Consolidated Statement of Operations as an extraordinary itemduring the quarter ended June 30, 2000.

On May 10, 2000, the Company obtained a $10 million line of credit from a national commercial bank secured by first mortgage liens on properties of the Operating Partnership. The first drawdown in the amount of $1,515,644 was used to retire the then-existing first mortgage on the Company's Utah (Broadbent Business Center) property and to pay related loan closing costs. The proceeds of the sale of Broadbent were, in part, used to fully repay this line of credit which was then canceled by the Company in May 2001. Deferred financing costs, net of accumulated amortization of $264,146, were written-off as an extraordinary item during the quarter ended June 30, 2001.

The Point Shopping Center is presently encumbered by a first mortgage loan of approximately $17.9 million. Included in restricted cash are the reserve and escrow accounts associated with the loan. Deferred financing costs of $264,121 (net of accumulated amortization) are attributable to The Point loan. As a result, the Company has $1,113,244 of cash restricted for interest, taxes and future tenant improvements at September 30, 2001.

Note 5. Related Party Transactions

Advisory Services

The Company does not have any employees and has contracted with CBRA to provide administrative, advisory, acquisition and divestiture services to the Company pursuant to an Administrative and Advisory Agreement (the "Advisory Agreement") entered into in April 1998, and amended as of August 21, 2000. CBRA is wholly owned by Leo S. Ullman. Mr. Ullman is President and a director of, and Brenda J. Walker is Vice President of, CBRA. Mr. Ullman is President and Chairman of the Company. The term of the amended Advisory Agreement is for five (5) years and is automatically renewed annually thereafter for additional one-year periods, subject to the right of a majority of independent directors to cancel the Advisory Agreement upon sixty (60) days' written notice.

Further, such Advisory Agreement may be terminated (i) for cause upon not less than sixty (60) days' written notice and (ii) by vote of at least 75% of the independent directors at the end of the third or fourth year of such five year term in the event gross assets fail to increase by 15% per annum.

CBRA has agreed to defer certain acquisition fees to which it may otherwise be entitled with respect to the possible acquisition by the Company or the Operating Partnership of certain properties owned by CBC and/or its affiliates. This includes acquisition fees otherwise payable with respect to the purchase by the Operating Partnership of its 50% interest in The Point Associates, L.P. Further, CBRA has agreed to defer certain fees otherwise payable with respect to the sale in 2000 of the Operating Partnership's interest in a property in Germantown, Kentucky, as further described in the Form 10-K for the year 2000.

With respect to the sale of Broadbent, CBRA was entitled to receive a disposition fee from the Company in accordance with the terms of the Advisory Agreement between CBRA and the Company in an amount not to exceed 3% of the gross sales price. The Operating Partnership paid $53,000 to CBRA representing a 1% fee. CBRA agreed with the Board of Directors and management to defer an additional 2% ($106,000) to which it would otherwise be entitled pursuant to the terms of that agreement, which provide generally that the deferred amounts are reduced and eventually eliminated if CBRA remains investment advisor to the Company beyond December 31, 2009.

With respect to the sale of Corporate Center East, the Operating Partnership paid to CBRA, in accordance with the terms of the Advisory Agreement between CBRA and the Company, a disposition fee of $18,600, representing 1% of the sales price. CBRA agreed with the Board of Directors and management to defer an additional 2% ($37,200) to which it would otherwise be entitled pursuant to the terms of that agreement, which provide generally that the deferred amounts are reduced and eventually eliminated if CBRA remains investment advisor to the Company beyond December 31, 2009.

Note 5. Related Party Transactions (continued)

Advisory Services (continued)

Pursuant to the Advisory Agreement CBRA was entitled to receive an acquisition fee in the amount of $1,737,500 (5%) with respect to the acquisition of the three supermarket-anchored shopping centers and corresponding land parcel acquired on October 9, 2001, CBRA has agreed to accept a fee in the amount of $173,750 (one-half of 1%). As for the balance of the fee, CBRA has agreed to 1.) waive a portion in the amount of $868,750 (2.5%) and 2.) defer a portion in the amount of $696,000 (2%), pursuant to the terms of the Advisory Agreement, which provide generally that the deferred amounts are reduced and eventually eliminated if CBRA remains investment advisor to the Company beyond December 31, 2009.

These additional deferred disposition and acquisition fees aggregating $839,200 will be reduced by 50% if CBRA remains investment advisor to the Company for a period extending beyond December 31, 2005, and will be waived in its entirety if CBRA remains investment advisor to the Company for a period extending beyond December 31, 2009. These contingent amounts have not been reflected in the Company's financial statements as it is believed that such payments are remote.

Under the Advisory Agreement, CBRA is obligated to: (a) provide office space and equipment, personnel and general office services necessary to conduct the day-to-day operations of the Company; (b) select and conduct relations with accountants, attorneys, brokers, banks and other lenders, and such other parties as may be considered necessary in connection with the Company's business and investment activities, including, but not limited to, obtaining services required in the acquisition, management and disposition of investments, collection and disbursement of funds, payment of debts and fulfillment of obligations of the Company, and prosecuting, handling and settling any claims of the Company; (c) provide property acquisition and disposition services, research, economic and statistical data, and investment and financial advice to the Company; and (d) maintain appropriate legal, financial, tax, accounting and general business records of activities of the Company and render appropriate periodic reports to the Directors and stockholders of the Company and to regulatory agencies, including the Internal Revenue Service, the Securities and Exchange Commission, and similar state agencies.

CBRA receives fees for its administrative and advisory services as follows: (a) a monthly administrative and advisory fee equal to 1/12 of 3/4 of 1% of the estimated current value of real estate assets of the Company, plus 1/12 of 1/4 of 1% of the estimated current value of all other assets of the Company; (b) an acquisition fee equal to 5% of the gross purchase price (before expenses and without deducting indebtedness assumed) of any real property acquired during the term of the Advisory Agreement; provided that the total of all such acquisition fees plus acquisition expenses in connection with the purchase of any real property shall be reasonable and shall not exceed 6% of the amount paid or allocated to the purchase, development, construction or improvement of a property, exclusive of acquisition fees and acquisition expenses; and (c) a disposition fee equal to 3% of the gross sales price (before expenses but without deducting any indebtedness against the property) of any real property disposed of during the term of the Advisory Agreement; provided that no disposition fee shall be paid unless and until the stockholders have received certain distributions from the Company. In addition, CBRA may receive one-half of the brokerage commission on such a disposition but only up to 3% of the price actually paid for the property, subject to certain limitations. Those fees are essentially the same as those previously applicable under the Administrative and Advisory Agreement between the Company and AEGON from the date of formation until April 3, 1998. The Company paid $24,468 and $73,404 in administrative and advisory fees during the quarter and nine months ended September 30, 2001. Disposition fees of $18,600 and $53,000 were accrued during the second quarter of 2001 and paid during the third quarter ended September 30, 2001 with respect to the sale of Corporate Center East and Broadbent. A disposition fee for the sale of Germantown in the amount of $22,500 was paid to CBRA during the second quarter of 2000.

Note 5. Related Party Transactions (continued)

Management Services

Brentway provides property management and leasing services to the Company's real properties pursuant to a Management Agreement entered into in April 1998 (the "Management Agreement"). Brentway is owned by Mr. Ullman and Ms. Walker, who are also Chairman and President of Brentway, respectively. Mr. Ullman is President and Chairman of the Company. The term of the Management Agreement is for one (1) year and is automatically renewed annually for additional one (1) year periods subject to the right of either party to cancel the Management Agreement upon sixty (60) days' written notice. Under the Management Agreement, Brentway is obligated to provide property management services, which include leasing and collection of rent, maintenance of books and records, establishment of bank accounts and payment of expenses, maintenance and operation of property, reporting and accounting the Company regarding property operations, and maintenance of insurance. All of the duties of Brentway are to be fulfilled at the Company's expense, provided, however, that the Company is not required to reimburse Brentway for personnel expenses other than for on-site personnel at the properties managed. Brentway receives fees for its property management services as follows: with the exception of The Point, and the three newly acquired supermarket-anchored shopping centers a monthly management fee equal to 5% of the gross income from properties managed and leasing fees of up to 6% of the rent to be paid during the term of the lease procured; in the case of The Point, the monthly management fee is equal to 3% of the gross income and the leasing fees are limited to 4.5% of the rent to be paid during the term of the lease procured, in the case of the three supermarket-anchored shopping centers, the monthly management fee is equal to 4% of gross income.

Note 5. Related Party Transactions (continued)

Management Services (continued)

Brentway was paid $69,328 in property management fees and $100,000 in leasing fees during the nine months ended September 30, 2001. Leasing fees paid by the Company during this period were also paid to third parties. Brentway has subcontracted with a local management company for site management and leasing services for the Company's remaining office property.

Schedule of Related Party Fees

<TABLE>
<CAPTION>

	January 1 - September 30, 2001	January 1 - September 30, 2000
<S>	<C>	<C>
Management Fees		
	$ ---	
Brentway	69,328	24,742
Leasing Fees		

Brentway	100,000	
Administrative and Advisory		
CBRA	73,404	73,404
Disposition Fees		

CBRA	71,600	22,500
Legal		
SKR	72,038	10,687

</TABLE>

Legal fees of $72,038 were paid to SKR for services rendered by in-house counsel and Secretary of the Company, Stuart H. Widowski, Esq. SKR is wholly owned by Leo S. Ullman and is an affiliate of CBRA, Brentway and CBC.

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

The following discussion should be read in conjunction with the historical financial statements of the Company and related notes.

Results of Operations

As discussed in Note 1 to the Financial Statements, the Company has sold its office property in Salt Lake City, Utah (Broadbent Business Center) and its office/warehouse property in Bloomington, Illinois (Corporate Center East - Phase I). The proceeds were used, in part, to pay down the Company's then-existing line of credit in the amount of $1,515,644. As previously discussed, on October 9, 2001 the Company, pursuant to an agreement of sale dated May 16, 2001 invested the remaining proceeds in three grocery-anchored shopping centers in Pennsylvania and New Jersey. The remaining office property, Southpoint Parkway Center ("Southpoint"), located in Jacksonville, Florida, was 99% occupied as of September 30, 2001. The Company's Pennsylvania property, The Point has substantially completed an entire redevelopment plan, including construction of a new 55,000 square foot Giant Supermarket, the elimination of approximately 100,000 square feet of internal mall area, and construction of a number of new stores. The center measures approximately 260,000 rentable s.f. and was approximately 88% occupied as of September 30, 2001. The Rent Commencement Date for the Giant Supermarket was July 30, 2001. Operating results in the forthcoming year will be influenced by the ability of current tenants to continue paying rent, and the Company's ability to renew expiring tenant leases and obtain new leases at competitive rental rates.

Rental income for the three months and nine months ended September 30, 2001 was $822,332 and $2,582,793 compared to $934,045 and $2,148,013 for the corresponding periods in 2000. This increase for the nine month period is attributable to the additional rental income generated by the acquisition of The Point as of July 1, 2000, and offset, in part, by the sale of Germantown as of May 11, 2000, the sale of Broadbent as of May 22, 2001, and the sale of Corporate Center East on June 28, 2001. The decrease for the quarter ended September 30, 2001 as compared to the corresponding quarter in 2000 is attributable to the loss of revenue relative to Broadbent and Corporate Center East. This decrease is offset, in part, by the increase in revenue attributable to The Point as a result of the opening of the Giant Supermarket. The three newly acquired supermarket-anchored shopping centers were acquired after September 30, 2001.

Interest income increased by approximately $98,000 due to the additional escrow funds made available by the November 2000 mortgage refinancing of The Point.

Total property expenses, excluding depreciation and amortization, were $274,024 and $965,865 for the three month and nine month periods ended September 30, 2001, compared to $359,717 and $792,520 for the corresponding periods in 2000, a decrease of approximately $86,000 and an increase of approximately $173,000, respectively. The decrease between quarters is attributable to the sale of Broadbent and Corporate Center East . The nine month increase is attributable to the additional expenses generated by the acquisition of The Point in July 2000, offset, in part, by the Germantown, Broadbent and Corporate Center East sales.

Results of Operations (continued)

Net (loss) income for the three month and nine month periods ended September 30, 2001 was <$26,800> (<$0.04> per share) and $298,715 ($0.43 per share) compared to <$28,378> (<$0.03> per share) and <$14,374> (<$0.02> per share) for the corresponding periods in 2000.

This increase for nine months is attributable to the gain on the sale of Broadbent. This increase is offset, in part, by the loss on the sale of Corporate Center East, loss on early extinguishment of debt, and the increase in interest expense relating to The Point loan.

Liquidity and Capital Resources

The Company's capital resources consist of its current equity in real estate investments (carrying value less mortgage indebtedness). The Company maintains the real estate in good condition and provides adequate insurance coverage.

The Company's liquidity at September 30, 2001, represented by cash and cash equivalents, was $2,530,988 compared to $841,111 at December 31, 2000, an increase of $1,689,877. This increase is a result of the proceeds received from the sale of Corporate Center East. The Company's redevelopment costs for the Pennsylvania shopping center are being funded by the Company's existing tenant reserve funds established in connecton with the related loan agreement. As previously discussed, the Company has invested the proceeds from the sale of both Corporate Center East and Broadbent in qualifying retail properties. The net proceeds from the Broadbent sale ($3,324,297) were held, until October 9, 2001 when used to acquire three supermarket-anchored shopping centers, in escrows structured to defer income tax on the gain pursuant to the "like-kind exchange" provision of Section 1031 of the Internal Revenue Code, and is classified as restricted cash at September 30, 2001.

Net cash provided by operating activities, as shown in the Statement of Cash Flow, was $684,638 for the nine months ended September 30, 2001, compared to $1,067,972 for the corresponding period in 2000. This decrease of approximately $383,000 is attributable to the decrease in net income from operations as a result of the Broadbent and Corporate Center East sales, as well as the redevelopment of The Point which did not reach substantial completion until July 30, 2001.

The Company expects to use the net proceeds of the sale of its only remaining office property (Jacksonville, Florida) and excess proceeds of refinancing of The Point to pay the two SWH Loan mandatory payments.

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

Liquidity and Capital Resources (continued)

As of January 1, 2001, the Company is required to distribute at least 90% of its "REIT taxable income", as defined in the Internal Revenue Code, to continue qualification as a real estate investment trust. Subject to the current 90% test described above (95% in 2000), as of December 2000, the Board of Directors of the Company voted unanimously to suspend payment of any dividend on shares and distributions on Units for the four quarterly periods from July 1, 2000 through June 30, 2001. As of June 27, 2001, the Board further decided to distribute only such dividends for the year 2001, before or shortly after the end of the year, as may be necessary to comply with the Internal Revenue Code requirements for continued REIT status. The Company has distributed amounts during the last two calendar years significantly in excess of both distributions required under applicable rules and the Company's net income.

Inflation

Low to moderate levels of inflation during the past few years have favorably impacted the Company's operations by stabilizing operating expenses. At the same time, low inflation has the indirect effect of reducing the Company's ability to increase tenant rents. The Company's properties have tenants whose leases include expense reimbursements and other provisions to minimize the effect of inflation. These factors, in the long run, are expected to result in more attractive returns from the Company's real estate portfolio as compared to short-term investment vehicles.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to changes in interest rates primarily from its floating debt arrangements. The Company's primary strategy is to protect against this risk by using a derivative transaction to limit the adverse impact that floating LIBOR rate interest fluctuations could have on cash flow. In November 2000, the Company through a subsidiary it controls, entered into an interest rate cap agreement effective December 1, 2000 with a financial institution for a notional amount of $17,900,000 which capped the interest rate of its secured mortgage loan facility. The cap limits interest to 7.5% and expires on June 1, 2002. The intention is for the cap agreement to be held to maturity. The Company does not use derivative financial instruments for trading purposes. As of

September 30, 2001, the hedge effectively has no value and has been adjusted in accordance with SFAS 133 (See Note 2 to the unaudited Consolidated Financial Statements).

Item 3. Quantitative and Qualitative Disclosures about Market Risk (continued)

If the base interest rates would increase by 1%, there would be an approximate $179,000 decrease in net income prior to minority interest and limited partners' interest.

Because of the Company's minimal use of derivatives, management does not anticipate that the adoption of the new Statement will have a significant effect on earnings or on the financial position of the Company.

Part II Other Information

Item 1. Legal Proceedings

None

Item 2. Changes in Securities and Use of Proceeds

None

Item 3. Defaults upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Securities Holders

None

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

1. Form 8-K dated October 9, 2001, reporting on Items 2 and 7, relating to the acquisition of Washington Centre Shops, L.P. and Greentree Road Land, Inc., Port Richmond Associates, L.L.C., Academy Store, L.P., filed October 24, 2001.

2. On November 14, 2001 Form 8-K/A dated October 9, 2001, reporting on Items 2 and 7, was filed amending Form 8-K filed on October 24, 2001.

September 30, 2001

Signatures

Pursuant to the requirements of Section 13 or 15(d) 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/ Leo S. Ullman /s/ Brenda J. Walker

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Leo S. Ullman   Brenda J. Walker
Chairman of the Board and President   Vice President and Director
(principal executive officer)   (principal financial officer)

/s/ Ann Maneri

Ann Maneri
Controller
(principal accounting officer)

November 14, 2001