

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarter ended March 31, 1996 Commission file number 0-14510

CEDAR INCOME FUND, LTD.
(Exact name of registrant as specified in its charter)

Iowa 42-1241468
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

4333 Edgewood Road N.E., Cedar 52499
Rapids, IA (Zip Code)
(Address of principal executive
offices)

Registrant's telephone number, including area code: (319) 398-8975

N/A
(Former name, address and fiscal year, if changed since last report)

Indicate by check-mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

The number of shares of common stock outstanding at May 10, 1996 was 2,245,411.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

CEDAR INCOME FUND, Ltd.
Balance Sheets
(unaudited)

<TABLE>

<S>	March 31		December 31,
	1996 <C>	1995 <C>	1995 <C>
ASSETS			
Real estate			
Land	4,126,044	4,126,044	4,126,044
Buildings and improvements	14,200,539	14,200,539	14,200,539
	18,326,583	18,326,583	18,326,583
Less accumulated depreciation	(3,427,922)	(2,991,085)	(3,318,273)
	14,898,661	15,335,498	15,008,310
Mortgage loan receivable	580,643	588,881	582,769

	15,479,304	15,924,379	15,591,079
Cash and cash equivalents	845,020	453,478	772,144
Rent and other receivables	110,962	127,416	80,213
Interest receivable	3,992	6,676	4,007
Prepaid expenses	34,183	39,199	44,275
Deferred lease commissions	119,005	158,396	114,807
Taxes held in escrow	22,556	23,847	3,580
Due from affiliates	--	42,440	--
TOTAL ASSETS	16,615,022	16,775,831	16,610,105
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Mortgage loan payable	1,439,547	1,459,278	1,444,654
Accounts payable and accrued expenses	157,305	139,892	99,673
Due to affiliates	32,136	--	28,762
Security deposits	69,030	69,224	66,869
Advance rents	13,896	56,937	8,519
TOTAL LIABILITIES	1,711,914	1,725,331	1,648,477
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	12,657,697	12,805,089	12,716,217
TOTAL SHAREHOLDERS' EQUITY	14,903,108	15,050,500	14,961,628
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	16,615,022	16,775,831	16,610,105

<TABLE>
CEDAR INCOME FUND, Ltd.
Statements of Operation
(unaudited)

<S>	Three Months Ended March 31,	
	<C>	<C>
REVENUE	1996	1995
Rents	559,047	600,187
Interest	23,245	19,706
TOTAL REVENUE	582,292	619,893
EXPENSES		
Property expenses:		
Real estate taxes	62,723	53,540
Wages and salaries	5,356	4,622
Repairs and maintenance	56,457	94,374
Utilities	34,222	26,640
Management fee	27,953	30,010
Insurance	4,311	3,691
Other	23,804	22,132
Property expenses, excluding depreciation	214,826	235,009
Depreciation	109,649	109,088
Total property expenses	324,475	344,097
Interest	34,736	35,192
Administrative fees	24,975	24,805
Directors' fees and expenses	11,144	11,247
Other administrative	20,941	19,682
TOTAL EXPENSES	416,271	435,023
Net earnings	166,021	184,870
Net earnings per share	.07	.08
Dividends to shareholders	224,541	224,541
Dividends to shareholders per share	.10	.10
Average number of shares outstanding	2,245,411	2,245,411

<TABLE>
CEDAR INCOME FUND, Ltd.
Statements of Cash Flows
(unaudited)

Three Months Ended

<S>	March 31,	
	1996 <C>	1995 <C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Rents collected	533,684	529,267
Interest received	23,260	19,133
Payments for operating expenses	(224,887)	(281,520)
Interest paid	(33,819)	(34,275)
Net cash provided by operating activities	298,238	232,605
CASH FLOWS FROM INVESTING ACTIVITIES:		
Principal portion of scheduled mortgage loan collections	2,126	1,953
Security deposits collected, net	2,160	1,097
Net cash provided by investing activities	4,286	3,050
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal portion of scheduled mortgage loan payments	(5,107)	(4,651)
Dividends paid to shareholders	(224,541)	(224,541)
Net cash used by financing activities	(229,648)	(229,192)
Net increase in cash and cash equivalents.	72,876	6,463
Cash and cash equivalents at beginning of period	772,144	447,015
Cash and cash equivalents at end of period	845,020	453,478

RECONCILIATION OF NET EARNINGS TO NET

CASH PROVIDED BY OPERATING ACTIVITIES:		
Net earnings	166,021	184,870
Add (deduct) reconciling adjustments:		
Depreciation	109,649	109,088
Amortization	917	917
Increase in rent and other receivables	(49,725)	(78,416)
Decrease (increase) in interest receivable	15	(573)
Decrease in prepaid expenses	9,175	13,467
Decrease (increase) in deferred lease commissions	(4,198)	12,868
Increase in due from affiliates	--	(42,440)
Increase in operating accounts payable, accrued expenses and due to affiliates	61,007	24,771
Increase in advance rents	5,377	8,053
Net cash provided by operating activities	298,238	232,605

</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 1995 Annual Report.

<TABLE>

	<S>	<C>
Note 2: Shareholders' equity, December 31, 1995		14,961,628
Net earnings		166,021
Dividends to shareholders		(224,541)
Shareholders' equity, March 31, 1996		14,903,108

</TABLE>

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

We are pleased to present the first quarter report for Cedar Income Fund, Ltd. Net earnings for the three months ended March 31, 1996 were \$166,021 (\$.07 per share) compared to \$184,870 (\$.08 per share) for the same period in 1995. Funds from operations (earnings from operations plus depreciation) were \$275,670 for the first three month of 1996 compared to \$293,958 for the same period a year ago.

Net earnings and funds from operations were lower in 1996 primarily due to the Hewlett Packard Corporation vacating 20,400 square feet of space at Corporate Center East in Bloomington, Illinois when its lease expired on December 31, 1995. The Company is in the process of obtaining one or more replacement tenants for this space. Despite Hewlett Packard vacating its

space, the Company's real estate portfolio had an overall occupancy rate of 90% at March 31, 1996.

Rental income for the first quarter was \$559,047 compared to \$600,187 for the first quarter in 1995. The decrease in rental income is due to Corporate Center East, where Hewlett Packard contributed approximately \$73,000 in rents during the first quarter of 1995. This decrease was offset by rents increasing at the remaining properties. Rents increased by 8% at Broadbent Business Center in Salt Lake City, Utah and by 13% at Germantown Square in Louisville, Kentucky as base rents and expense recoveries from tenants increased at these properties. Rents at Southpoint Parkway Center in Jacksonville, Florida increased slightly.

Total property expenses, excluding depreciation, decreased from 39% of rental income in 1995 to 38% in 1996. Repairs and maintenance decreased in the first quarter of 1996 compared to 1995 primarily due to tenant remodeling and other expenses incurred in 1995 that were not required this year. The increase in utilities is partially attributed to Hewlett Packard vacating their space, since they were responsible for their own utilities. This expense is now the Company's.

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 March 31, 1996 is represented by cash and cash equivalents of \$845,020, a mortgage loan participation of \$580,643 and cash flow from operating activities. This liquidity is considered sufficient to meet current obligations.

The Board of Directors declared a dividend of \$.10 per share payable May 20, 1996 to shareholders of record May 10, 1996. The Board of Directors will continue to consider leasing activity, operating results and the financial condition of the Company in determining future dividends.

PART II OTHER INFORMATION

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

At the Company's annual meeting of shareholders on April 30, 1996, 61% of the Company's outstanding shares were represented (in person or by proxy). All five incumbent Directors were re-elected to the Board of Directors, with each receiving at least 97% of the vote for the shares represented. The vote tabulation for each Director was as follows:

<TABLE> <S>	<C>	<C>
Director	Votes for	Votes Withheld
Patrick E. Falconio	1,339,172	38,753
Edwin L. Ingraham	1,337,335	40,590
James C. Kafes	1,338,633	39,292
Edwin B. Lancaster	1,338,142	39,783
Alex A. Meyer	1,337,904	40,021

</TABLE>

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: May 10, 1996

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<ARTICLE> 5

<CIK> 0000761648

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