

Mortgage loan receivable	14,789,598	15,226,435	15,008,310
	578,473	586,886	582,769
	15,368,071	15,813,321	15,591,079
Cash and cash equivalents	885,556	624,886	772,144
Rent and other receivables	77,487	83,039	80,213
Interest receivable	3,977	4,035	4,007
Prepaid expenses	39,091	43,432	44,275
Deferred lease commissions	116,864	150,518	114,807
Taxes held in escrow	41,532	37,390	3,580
Total Assets	16,532,578	16,756,621	16,610,105
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Mortgage loan payable	1,434,320	1,454,517	1,444,654
Accounts payable and accrued expenses	185,076	168,927	99,673
Due to affiliates	25,576	25,528	28,762
Security deposits	64,810	68,491	66,869
Advance rents	15,305	41,540	8,519
Total Liabilities	1,725,087	1,759,003	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	12,562,080	12,752,207	12,716,217
Total Shareholders' Equity	14,807,491	14,997,618	14,961,628
Total Liabilities and Shareholders' Equity	16,532,578	16,756,621	16,610,105

</TABLE>

Cedar Income Fund, Ltd.
Statements of Operations
(unaudited)

<TABLE>

<S>	<C>	<C>		<C>	
		Three Months Ended June 30,	1995	Six Months Ended June 30,	1995
		1996		1996	
REVENUE					
Rents		521,652	599,724	1,080,699	1,199,911
Interest		23,251	21,532	46,496	41,238
Total Revenue		544,903	621,256	1,127,195	1,241,149
EXPENSES					
Property expenses:					
Real estate taxes		62,617	62,363	125,340	115,903
Wages and salaries		5,423	5,237	10,779	9,859
Repairs and maintenance		63,234	103,389	119,691	197,763
Utilities		34,039	29,610	68,261	56,250
Management fee		26,082	29,985	54,035	59,995
Insurance		5,227	3,623	9,538	7,314
Other		29,540	23,363	53,344	45,495
Property expenses, excluding depreciation		226,162	257,570	440,988	492,579
Depreciation		109,063	109,063	218,712	218,151
Total property expenses		335,225	366,633	659,700	710,730
Interest		34,615	35,081	69,351	70,273
Administrative fees		25,004	24,825	49,979	49,630
Directors' fees and expenses		9,879	11,233	21,023	22,480
Other administrative		11,256	11,825	32,197	31,507
Total Expenses		415,979	449,597	832,250	884,620
Net earnings		128,924	171,659	294,945	356,529
Net earnings per share		.06	.08	.13	.16
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)
 <TABLE>

	<S>	<C> Six Months Ended June 30, 1996	<C> 1995
CASH FLOWS FROM OPERATING ACTIVITIES:			
Rents collected		1,090,091	1,157,971
Interest received		46,526	43,306
Payments for operating expenses		(498,508)	(500,784)
Interest paid		(67,518)	(68,440)
Net cash provided by operating activities		570,591	632,053
CASH FLOWS FROM INVESTING ACTIVITIES:			
Principal portion of scheduled mortgage loan collections		4,296	3,948
Security deposits collected, net		(2,059)	364
Net cash provided by investing activities		2,237	4,312
CASH FLOWS FROM FINANCING ACTIVITIES:			
Principal portion of scheduled mortgage loan payments		(10,334)	(9,412)
Dividends paid to shareholders		(449,082)	(449,082)
Net cash used by financing activities		(459,416)	(458,494)
Net increase in cash and cash equivalents.		113,412	177,871
Cash and cash equivalents at beginning of period		772,144	447,015
Cash and cash equivalents at end of period		885,556	624,886

RECONCILIATION OF NET EARNINGS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Net earnings		294,945	356,529
Add (deduct) reconciling adjustments:			
Depreciation		218,712	218,151
Amortization		1,833	1,834
Increase in rent and other receivables		(35,226)	(47,582)
Decrease in interest receivable		30	2,068
Decrease in prepaid expenses		3,351	8,317
Decrease (increase) in deferred lease commissions		(2,057)	20,746
Increase in operating accounts payable, accrued expenses and due to affiliates		82,217	79,334
Increase (decrease) in advance rents		6,786	(7,344)
Net cash provided by operating activities		570,591	632,053

</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		294,945
Dividends to shareholders		(449,082)
Shareholders' equity, June 30, 1996		14,807,491

</TABLE>

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, 1996 were \$128,924 (\$.06 per share) and \$294,945 (\$.13 per share), respectively, compared to \$171,659 (\$.08 per share) and \$356,529 (\$.16 per share) for the same periods in 1995. Funds from operations (earnings from operations plus depreciation) were \$513,657 for the first six months of 1996 compared to \$574,680 for the same period in 1995.

Net earnings and funds from operations declined from 1995 to 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 87% at June 30, 1996.

Rental income for the three and six months ended June 30, 1996 was \$521,652 and \$1,080,699, respectively, compared to \$599,724 and \$1,199,911 for the same periods in 1995. The decrease in rental income is attributed to Corporate Center East, where Hewlett Packard contributed approximately \$141,000 in rents during the first two quarters of 1995. This decrease was partially offset by an 11% increase in rental income at Germantown Square in Louisville, Kentucky due to higher base rents and expense recoveries. Rental income at Southpoint Parkway Center in Jacksonville, Florida and Broadbent Business Center in Salt Lake City, Utah was relatively unchanged from a year ago. Interest income increased by 13% due to a higher balance of funds available for investment.

Total property expenses, excluding depreciation, decreased from \$492,579 for the first six months of 1995 to \$440,988 for the same period in 1996, which represented 41% of rental income for both years. Repairs and maintenance decreased in the second 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.) Other property expenses have increased by 17%, primarily as a result of new signage required at Corporate Center East.

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, 1996 is represented by cash and cash equivalents of \$885,556, a mortgage loan participation of \$578,473 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 August 19, 1996 to shareholders of record August 6, 1996. The Board of Directors will continue to consider leasing activity, 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.

David Blankenship
President
(executive officer)

Roger L. Schulz
Controller
(principal accounting officer)

Dated: August 12, 1996

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