

14,545,188		14,424,172	14,753,189
Mortgage loan receivable		-	571,678
564,437		14,424,172	15,324,867
15,109,625			
Cash and cash equivalents		1,861,886	529,293
407,216			
Rent and other receivables		219,211	102,308
130,615			
Interest receivable		-	3,930
3,881			
Prepaid expenses		107,017	71,915
109,624			
Deferred lease commissions		169,076	176,573
164,826			
Taxes held in escrow		24,889	30,252
15,896			
Total Assets	\$	16,806,251	16,239,138
15,941,683			

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities

Mortgage loan payable	\$	1,394,104	1,417,885
1,400,259			
Accounts payable and accrued expenses		140,230	184,006
162,320			
Due to affiliates		-	2,976
62,570			
Escrow payable		1,000,000	-
-			
Security deposits		81,255	86,415
80,085			
Advance rents		12,375	23,110
9,347			
Total Liabilities		2,627,964	1,714,392
1,714,581			

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		11,932,876	12,279,335
11,981,691			
Total Shareholders' Equity		14,178,287	14,524,746
14,227,102			

Total Liabilities and Shareholders' Equity	\$	16,806,251	16,239,138
15,941,683			

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

	<S>	<C>	
		Three Months Ended March 31,	
		1998	1997
REVENUE			
Rents	\$	639,038	539,619
Interest		31,286	21,296
Total Revenue		670,324	560,915
EXPENSES			
Property expenses:			
Real estate taxes		59,609	64,423
Wages and salaries		-	5,148
Repairs and maintenance		71,459	75,535
Utilities		35,666	31,811
Management fee		31,952	26,981
Insurance		4,909	4,913
Other		21,488	25,103
Property expenses, excluding depreciation		225,083	233,914
Depreciation		121,016	112,359
Total property expenses		346,099	346,273
Interest		33,687	34,237
Administrative fees		25,776	25,353
Directors' fees and expenses		21,005	11,865
Other administrative		68,031	18,980
Total Expenses		494,598	436,708

Net earnings	\$	175,726	124,207
Basic and diluted net earnings per share	\$.08	.06
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

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

		Three Months Ended March 31,	
		1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Rents collected	\$	633,177	540,787
Interest received		35,167	21,312
Payments for operating expenses		(515,814)	(304,059)
Interest paid		(32,771)	(33,320)
Net cash provided by operating activities		119,759	224,720
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures		-	(157,658)
Principal portion of scheduled mortgage loan collections		2,517	2,313
Principal repayment on mortgage loan receivable		561,920	-
Security deposits collected, net		1,170	19,760
Net cash provided (used) by investing activities		565,607	(135,585)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Principal portion of scheduled mortgage loan payments		(6,155)	(5,607)
Escrow funds received		1,000,000	-
Dividends paid to shareholders		(224,541)	(224,541)
Net cash provided (used) by financing activities		769,304	(230,148)
Net increase (decrease) in cash and cash equivalents		1,454,670	(141,013)
Cash and cash equivalents at beginning of period		407,216	670,306
Cash and cash equivalents at end of period	\$	1,861,886	529,293

RECONCILIATION OF NET EARNINGS TO NET

CASH PROVIDED BY OPERATING ACTIVITIES:			
Net earnings	\$	175,726	124,207
Add (deduct) reconciling adjustments:			
Depreciation		121,016	112,359
Amortization		916	916
Increase in rent and other receivables		(97,589)	(19,450)
Decrease in interest receivable		3,881	16
Decrease in prepaid expenses		1,691	11,927
Increase in deferred lease commissions		(4,250)	(60,425)
Increase (decrease) in operating accounts payable and accrued expenses		(22,090)	80,669
Decrease in due to affiliates		(62,570)	(33,562)
Increase in advance rents		3,028	8,063
Net cash provided by operating activities	\$	119,759	224,720

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 1997 Annual Report on Form 10-K.

Note 2: Shareholders' equity, December 31, 1997	\$	14,227,102
Net earnings		175,726
Dividends to shareholders		(224,541)
Shareholders' equity, March 31, 1998	\$	14,178,287

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

Net earnings for the three months ended March 31, 1998 were \$175,726 (\$.08 per share) compared to \$124,207 (\$.06 per share) for the same period in 1997. (All per share amounts are on a basic and diluted basis.) Net earnings were higher in the first quarter of 1998, compared to 1997, primarily due to an increase in rental income, partially offset by an increase in other administrative expenses.

Rental income for the first quarter of 1998 was \$639,038 compared to \$539,619 for the first quarter in 1997, an increase of 18%. Rental income at Southpoint Parkway Center in Jacksonville, Florida increased by \$57,000 due to higher occupancy resulting from an existing tenant leasing an additional 17,116 square feet. Rental income also increased at Corporate Center East in Bloomington, Illinois by \$40,000 due to higher occupancy as a result of the Company's success in achieving occupancy of 100%. Rental income at Broadbent Business Center in Salt Lake City, Utah and Germantown Square in Louisville, Kentucky were relatively unchanged from the prior year. The Company's real estate portfolio had an overall occupancy rate of 98% at March 31, 1998.

Total property expenses, excluding depreciation, decreased from 43% of rental income in 1997 to 35% in 1998. Wages and salaries decreased by \$5,000 due to the reduction of property management personnel at Broadbent. Utilities increased by \$4,000 in 1998, an increase of 12%, due to an increase in occupancy at Southpoint. Management fees increased by \$5,000 in 1998, an increase of 18%, corresponding to the 18% increase in rental income.

Directors' fees and expenses increased by \$9,000 due to an increase in coverage for directors and officers insurance and an increase in the annual premium. Other administrative expenses increased by \$49,000 due to legal fees and mailing costs incurred in connection with the completion of the tender offer for all Cedar shares.

Capital resources of the Company consist of equity in real estate investments. In March 1998, Life Investors Insurance Company of America exercised its right to repurchase the entire mortgage receivable balance from the Company. As a result, the Company invested the proceeds in the Company's money market fund. The Company maintains its real estate in good condition and provides adequate insurance coverage. The Company's liquidity at March 31, 1998 is represented by cash and cash equivalents 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, 1998 to shareholders of record May 10, 1998. The Board of Directors will continue to consider leasing prospects, operating results and the financial condition of the Company in determining future dividends.

PART II OTHER INFORMATION

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

No reports on Form 8-K were filed during the first quarter of 1998.

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/ Brenda J. Walker
Brenda J. Walker
Vice President
(principal financial officer)

Dated: May 13, 1998

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