

COHEN & STEERS TOTAL RETURN REALTY FUND INC  
Form N-Q  
May 26, 2006

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

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-07154

Cohen & Steers Total Return Realty Fund, Inc.  
(Exact name of registrant as specified in charter)

280 Park Avenue New York, NY  
(Address of principal executive offices)

10017  
(Zip code)

John E. McLean  
280 Park Avenue  
New York, NY 10017  
(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 832-3232

Date of fiscal year end: December 31

Date of reporting period: March 31, 2006

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**Item 1. Schedule of Investments**

March 31, 2006 (Unaudited)

|                                 | Number<br>of Shares | Value        |
|---------------------------------|---------------------|--------------|
| <b>COMMON STOCK</b>             | <b>76.2%</b>        |              |
| <b>DIVERSIFIED</b>              | <b>10.2%</b>        |              |
| Colonial Properties Trust       | 89,300              | \$ 4,476,609 |
| Entertainment Properties Trust  | 30,200              | 1,267,796    |
| iStar Financial                 | 56,800              | 2,174,304    |
| Spirit Finance Corp.            | 136,800             | 1,668,960    |
| Vornado Realty Trust            | 90,400              | 8,678,400    |
|                                 |                     | 18,266,069   |
| <b>HEALTH CARE</b>              | <b>12.6%</b>        |              |
| Health Care Property Investors  | 217,000             | 6,162,800    |
| Healthcare Realty Trust         | 26,200              | 979,356      |
| Health Care REIT                | 27,600              | 1,051,560    |
| Medical Properties Trust        | 26,900              | 290,520      |
| Nationwide Health Properties    | 157,300             | 3,381,950    |
| Senior Housing Properties Trust | 84,500              | 1,529,450    |
| Ventas                          | 281,700             | 9,346,806    |
|                                 |                     | 22,742,442   |
| <b>HOTEL</b>                    | <b>2.8%</b>         |              |
| Ashford Hospitality Trust       | 52,700              | 653,480      |
| DiamondRock Hospitality Co.     | 99,100              | 1,368,571    |
| Hospitality Properties Trust    | 38,700              | 1,690,029    |
| Strategic Hotels & Resorts      | 55,500              | 1,292,040    |
|                                 |                     | 5,004,120    |
| <b>MORTGAGE</b>                 | <b>1.4%</b>         |              |
| Newcastle Investment Corp.      | 107,827             | 2,579,222    |
| <b>OFFICE</b>                   | <b>18.5%</b>        |              |
| American Financial Realty Trust | 51,900              | 604,635      |
| Brandywine Realty Trust         | 299,785             | 9,521,171    |
| CarrAmerica Realty Corp.        | 21,800              | 972,498      |
| Equity Office Properties Trust  | 143,900             | 4,832,162    |
| HRPT Properties Trust           | 55,300              | 649,222      |
| Kilroy Realty Corp.             | 27,000              | 2,086,020    |
| Mack-Cali Realty Corp.          | 131,100             | 6,292,800    |
| Maguire Properties              | 93,000              | 3,394,500    |
| Reckson Associates Realty Corp. | 110,000             | 5,040,200    |
|                                 |                     | 33,393,208   |
| <b>OFFICE/INDUSTRIAL</b>        | <b>4.7%</b>         |              |
| Duke Realty Corp.               | 63,300              | 2,402,235    |
| Liberty Property Trust          | 129,200             | 6,093,072    |
|                                 |                     | 8,495,307    |

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|  |              |         |              |
|--|--------------|---------|--------------|
| <b>RESIDENTIAL - APARTMENT</b>                                   | <b>14.1%</b> |         |              |
| American Campus Communities                                      |              | 40,369  | \$ 1,045,961 |
| Apartment Investment & Management Co.                            |              | 23,100  | 1,083,390    |
| Archstone-Smith Trust  |              | 92,361  | 4,504,446    |
| AvalonBay Communities  |              | 59,400  | 6,480,540    |
| Camden Property Trust  |              | 53,500  | 3,854,675    |
| Education Realty Trust   |              | 68,400  | 1,046,520    |
| GMH Communities Trust  |              | 49,900  | 580,836      |
| Home Properties  |              | 70,900  | 3,622,990    |
| Mid-America Apartment Communities                                |              | 35,400  | 1,938,150    |
| United Dominion Realty Trust                                     |              | 41,000  | 1,170,140    |
|  |              |         | 25,327,648   |
| <b>SELF STORAGE</b>  | <b>1.6%</b>  |         |              |
| Extra Space Storage  |              | 62,200  | 1,069,218    |
| Sovran Self Storage  |              | 9,700   | 535,440      |
| U-Store-It Trust   |              | 65,800  | 1,325,870    |
|  |              |         | 2,930,528    |
| <b>SHOPPING CENTER</b>   | <b>10.3%</b> |         |              |
| <b>COMMUNITY CENTER</b>  | <b>3.2%</b>  |         |              |
| Cedar Shopping Centers   |              | 74,100  | 1,173,744    |
| Heritage Property Investment Trust                               |              | 51,300  | 2,030,967    |
| Inland Real Estate Corp.   |              | 55,300  | 901,943      |
| Urstadt Biddle Properties Class A                                |              | 86,600  | 1,558,800    |
|  |              |         | 5,665,454    |
| <b>REGIONAL MALL</b>   | <b>7.1%</b>  |         |              |
| Glimcher Realty Trust  |              | 95,500  | 2,712,200    |
| Macerich Co.   |              | 107,500 | 7,949,625    |
| Mills Corp.  |              | 78,300  | 2,192,400    |
|  |              |         | 12,854,225   |
| <b>TOTAL SHOPPING CENTER</b>                                     |              |         | 18,519,679   |
| <b>TOTAL COMMON STOCK</b><br>(Identified cost \$77,108,441)      |              |         | 137,258,223  |
| <b>PREFERRED STOCK</b>   | <b>20.2%</b> |         |              |
| <b>DIVERSIFIED</b>   | <b>2.3%</b>  |         |              |
| Colonial Properties Trust, 8.125%, Series D                      |              | 14,600  | 379,600      |
| Colonial Properties Trust, 7.62%, Series E                       |              | 49,500  | 1,240,965    |
| Crescent Real Estate Equities Co., 6.75%, Series A (Convertible) |              | 60,500  | 1,305,590    |
| Digital Realty Trust, 8.50%, Series A                            |              | 10,700  | 270,817      |
| Digital Realty Trust, 7.875%, Series B                           |              | 13,200  | 327,690      |
| iStar Financial, 7.875%, Series E                                |              | 25,000  | 630,000      |
|  |              |         | 4,154,662    |
| <b>HEALTH CARE</b>   | <b>3.5%</b>  |         |              |
| Health Care REIT, 7.625%, Series F                               |              | 17,000  | 433,500      |
| Nationwide Health Properties, 7.677%, Series P                   |              | 47,000  | 4,805,750    |
| Windrose Medical Properties Trust, 7.50%, Series A               |              | 38,800  | 1,012,680    |
|  |              |         | 6,251,930    |

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|   |             |         |            |
|---|-------------|---------|------------|
| <b>HOTEL</b>  | <b>0.7%</b> |         |            |
| Eagle Hospitality Properties Trust, 8.25%, Series A         |             | 10,600  | \$ 266,219 |
| FelCor Lodging Trust, 8.00%, Series C                       |             | 12,000  | 300,240    |
| Host Hotels and Resorts, 10.00%, Series C                   |             | 3,500   | 88,200     |
| Strategic Hotels & Resorts, 8.50%, Series A                 |             | 10,000  | 253,750    |
| Strategic Hotels & Resorts, 8.25%, Series B                 |             | 11,000  | 276,650    |
| Sunstone Hotel Investors, 8.00%, Series A                   |             | 7,000   | 177,205    |
|   |             |         | 1,362,264  |
| <b>INDUSTRIAL</b>   | <b>0.3%</b> |         |            |
| EastGroup Properties, 7.95%, Series D                       |             | 21,000  | 543,900    |
| <b>OFFICE</b>   | <b>3.9%</b> |         |            |
| Alexandria Real Estate Equities, 9.10%, Series B            |             | 10,900  | 276,860    |
| Brandywine Realty Trust, 7.50%, Series C                    |             | 9,028   | 227,867    |
| Highwoods Properties, 8.625%, Series A                      |             | 4,300   | 4,730,000  |
| HRPT Properties Trust, 8.75%, Series B                      |             | 52,800  | 1,387,056  |
| SL Green Realty Corp., 7.625%, Series C                     |             | 15,000  | 374,400    |
|   |             |         | 6,996,183  |
| <b>RESIDENTIAL - APARTMENT</b>                              | <b>2.3%</b> |         |            |
| Apartment Investment & Management Co., 9.375%, Series G     |             | 113,200 | 2,962,444  |
| Apartment Investment & Management Co., 10.00%, Series R     |             | 5,100   | 129,693    |
| Mid-America Apartment Communities, 8.30%, Series H          |             | 17,300  | 437,690    |
| Post Properties, 8.50%, Series A                            |             | 11,000  | 607,200    |
|   |             |         | 4,137,027  |
| <b>SHOPPING CENTER</b>                                      | <b>7.2%</b> |         |            |
| <b>COMMUNITY CENTER</b>                                     | <b>1.3%</b> |         |            |
| Cedar Shopping Centers, 8.875%, Series A                    |             | 10,000  | 268,150    |
| Ramco-Gershenson Property Trust, 9.50%, Series B            |             | 11,600  | 301,020    |
| Saul Centers, 8.00%, Series A                               |             | 26,800  | 704,840    |
| Urstadt Biddle Properties, 8.50%, Series C                  |             | 4,000   | 436,000    |
| Urstadt Biddle Properties, 7.50%, Series D                  |             | 24,500  | 615,562    |
|   |             |         | 2,325,572  |
| <b>REGIONAL MALL</b>  | <b>5.9%</b> |         |            |
| CBL & Associates Properties, 8.75%, Series B                |             | 13,000  | 661,830    |
| CBL & Associates Properties, 7.75%, Series C                |             | 11,000  | 280,610    |
| Glimcher Realty Trust, 8.125%, Series G                     |             | 16,000  | 404,800    |
| Mills Corp., 9.00%, Series B                                |             | 72,700  | 1,668,465  |
| Mills Corp., 9.00%, Series C                                |             | 23,600  | 539,260    |
| Mills Corp., 8.75%, Series E                                |             | 20,100  | 453,255    |
| Pennsylvania Real Estate Investment Trust, 11.00%, Series A |             | 55,400  | 3,127,330  |
| Simon Property Group, 8.375%, Series J                      |             | 13,000  | 838,500    |
| Taubman Centers, 8.30%, Series A                            |             | 78,817  | 1,979,095  |
| Taubman Centers, 7.625%, Series H                           |             | 25,900  | 650,090    |
|   |             |         | 10,603,235 |
| <b>TOTAL SHOPPING CENTER</b>                                |             |         | 12,928,807 |
| <b>TOTAL PREFERRED STOCK</b>                                |             |         |            |
| (Identified cost \$32,795,076)                              |             |         | 36,374,773 |

|  |               | <b>Principal<br/>Amount</b> |
|--|---------------|-----------------------------|
| <b>COMMERCIAL PAPER</b>  | <b>3.3%</b>   |                             |
| San Paolo U.S. Finance Co., 3.69%, due 4/3/06<br>(Identified cost \$5,973,775)                                 |               | \$ 5,975,000 \$ 5,973,775   |
| <b>TOTAL INVESTMENTS (Identified cost \$115,877,292)</b>   | <b>99.7%</b>  | <b>179,606,771</b>          |
| <b>OTHER ASSETS IN EXCESS OF LIABILITIES</b>   | <b>0.3%</b>   | <b>506,771</b>              |
| <b>NET ASSETS (Equivalent to \$19.47 per share based on 9,249,159<br/>shares of capital stock outstanding)</b> | <b>100.0%</b> | <b>\$ 180,113,542</b>       |

Glossary of Portfolio Abbreviation

REIT      Real Estate Investment Trust

Note: Percentages indicated are based on the net assets of the fund.

**Item 2. Controls and Procedures**

(a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) are effective based on their evaluation of these disclosure controls and procedures required by Rule 30a-3(b) under the Investment Company Act of 1940 and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act as of a date within 90 days of the filing of this report.

(b) During the last fiscal quarter, there were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits.**

(a) Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(a) under the Investment Company Act of 1940.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**COHEN & STEERS TOTAL RETURN REALTY FUND, INC.**

By: /s/ Adam M. Derechin  
**Name: Adam M. Derechin**

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Title: President

Date: May 26, 2006

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Adam M. Derechin  
Name: Adam M. Derechin  
Title: President and principal  
executive officer

Date: May 26, 2006

By: /s/ Jay J. Chen  
Name: Jay J. Chen  
Title: Treasurer and principal  
financial officer