

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 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> (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 Amount</b>	
<b>COMMERCIAL PAPER</b>	3.3%		
San Paolo U.S. Finance Co., 3.69%, due 4/3/06 (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 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