

COHEN & STEERS TOTAL RETURN REALTY FUND INC  
 Form N-Q  
 November 29, 2004

UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF  
 REGISTERED MANAGEMENT COMPANY

Investment Company Act file number: 811-071540

Exact Name of Registrant  
 (as specified in charter): Cohen & Steers Total Return Realty Fund, Inc.

Address of Principal Executive Office: 757 Third Avenue  
 New York, NY 10017

Name and address of agent for service: John E. McLean  
 757 Third Avenue  
 New York, NY 10017

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

Date of fiscal year end: December 31

Date of reporting period: September 30, 2004

Item 1. Schedule of Investments

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 COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

SCHEDULE OF INVESTMENTS  
 SEPTEMBER 30, 2004 (UNAUDITED)

|                                       |            | NUMBER<br>OF SHARES | VALUE        | DIVIDEND<br>YIELD (a) |
|---------------------------------------|------------|---------------------|--------------|-----------------------|
| -----                                 |            |                     |              |                       |
| EQUITIES                              | 99.02% (b) |                     |              |                       |
| COMMON STOCK                          | 79.61%     |                     |              |                       |
| DIVERSIFIED                           | 9.84%      |                     |              |                       |
| Colonial Properties Trust.....        |            | 82,100              | \$ 3,302,062 | 6.66%                 |
| Crescent Real Estate Equities Co..... |            | 170,600             | 2,685,244    | 9.53                  |
| iStar Financial.....                  |            | 36,900              | 1,521,387    | 6.77                  |

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|                                     |         |            |      |
|-------------------------------------|---------|------------|------|
| Vornado Realty Trust.....           | 143,200 | 8,975,776  | 4.53 |
|                                     |         | -----      |      |
|                                     |         | 16,484,469 |      |
|                                     |         | -----      |      |
| HEALTH CARE                         | 10.51%  |            |      |
| Health Care Property Investors..... | 230,000 | 5,980,000  | 6.42 |
| Health Care REIT.....               | 27,600  | 971,520    | 6.82 |
| Nationwide Health Properties.....   | 161,800 | 3,357,350  | 7.13 |
| Ventas.....                         | 281,700 | 7,301,664  | 5.02 |
|                                     |         | -----      |      |
|                                     |         | 17,610,534 |      |
|                                     |         | -----      |      |
| HOTEL                               | 1.19%   |            |      |
| Hospitality Properties Trust.....   | 38,400  | 1,631,616  | 6.78 |
| Strategic Hotel Capital.....        | 27,300  | 369,096    | 6.51 |
|                                     |         | -----      |      |
|                                     |         | 2,000,712  |      |
|                                     |         | -----      |      |
| INDUSTRIAL                          | 1.43%   |            |      |
| First Industrial Realty Trust.....  | 64,700  | 2,387,430  | 7.43 |
|                                     |         | -----      |      |
| MORTGAGE                            | 1.89%   |            |      |
| Newcastle Investment Corp.....      | 103,027 | 3,162,929  | 7.82 |
|                                     |         | -----      |      |

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- (a) Dividend yield is computed by dividing the security's current annual dividend rate by the last sale price on the principal exchange, or market, on which such security trades.
- (b) Percentages indicated are based on the net assets of the fund.

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COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

SCHEDULE OF INVESTMENTS -- (CONTINUED)  
SEPTEMBER 30, 2004 (UNAUDITED)

|                                     |        | NUMBER<br>OF SHARES | VALUE        | DIVIDEND<br>YIELD |
|-------------------------------------|--------|---------------------|--------------|-------------------|
|                                     |        | -----               | -----        | -----             |
| OFFICE                              | 21.95% |                     |              |                   |
| Arden Realty.....                   |        | 160,000             | \$ 5,212,800 | 6.20%             |
| Brandywine Realty Trust.....        |        | 184,900             | 5,265,952    | 6.18              |
| CarrAmerica Realty Corp.....        |        | 155,100             | 5,071,770    | 6.12              |
| Equity Office Properties Trust..... |        | 203,400             | 5,542,650    | 7.34              |
| HRPT Properties Trust.....          |        | 71,900              | 790,181      | 7.64              |
| Mack-Cali Realty Corp.....          |        | 150,800             | 6,680,440    | 5.69              |
| Maguire Properties.....             |        | 93,000              | 2,260,830    | 6.58              |
| Prentiss Properties Trust.....      |        | 165,300             | 5,950,800    | 6.22              |

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|   |         |  |                              |      |
|---|---------|--|------------------------------|------|
|   |         |  | -----<br>36,775,423<br>----- |      |
| OFFICE/INDUSTRIAL                       | 6.40%   |  |                              |      |
| Kilroy Realty Corp.....                 | 56,600  |  | 2,152,498                    | 5.21 |
| Liberty Property Trust.....             | 135,600 |  | 5,402,304                    | 6.12 |
| Reckson Associates Realty Corp.....     | 110,000 |  | 3,162,500                    | 5.91 |
|   |         |  | -----<br>10,717,302<br>----- |      |
| RESIDENTIAL                             | 12.22%  |  |                              |      |
| APARTMENT                               | 12.01%  |  |                              |      |
| Archstone-Smith Trust.....              | 152,900 |  | 4,837,756                    | 5.44 |
| AvalonBay Communities.....              | 69,900  |  | 4,209,378                    | 4.65 |
| Camden Property Trust.....              | 78,900  |  | 3,645,180                    | 5.50 |
| Gables Residential Trust.....           | 122,900 |  | 4,197,035                    | 7.06 |
| Home Properties.....                    | 47,000  |  | 1,859,320                    | 6.27 |
| Mid-America Apartment Communities.....  | 35,400  |  | 1,378,830                    | 6.01 |
|   |         |  | -----<br>20,127,499<br>----- |      |
| MANUFACTURED HOME                       | 0.21%   |  |                              |      |
| Affordable Residential Communities..... | 24,300  |  | 354,780                      | 8.56 |
| TOTAL RESIDENTIAL.....                  |         |  | -----<br>20,482,279<br>----- |      |
| SELF STORAGE                            | 0.14%   |  |                              |      |
| Sovran Self Storage.....                | 6,200   |  | 242,916                      | 6.18 |

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COHEN & STEERS TOTAL RETURN REALTY FUND, INC.  
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SCHEDULE OF INVESTMENTS -- (CONTINUED)  
SEPTEMBER 30, 2004 (UNAUDITED)

|   |        | NUMBER<br>OF SHARES | VALUE                       | DIVIDEND<br>YIELD |
|---|--------|---------------------|-----------------------------|-------------------|
|   |        | -----               | -----                       | -----             |
| SHOPPING CENTER                         | 13.83% |                     |                             |                   |
| COMMUNITY CENTER                        | 4.12%  |                     |                             |                   |
| Developers Diversified Realty Corp..... |        | 22,600              | \$ 884,790                  | 5.21%             |
| Federal Realty Investment Trust.....    |        | 52,400              | 2,305,600                   | 4.59              |
| Heritage Property Investment Trust..... |        | 51,300              | 1,496,421                   | 7.20              |
| Kramont Realty Trust.....               |        | 69,500              | 1,292,700                   | 6.99              |
| Urstadt Biddle Properties -- Class A... |        | 60,000              | 914,400                     | 5.64              |
|   |        |                     | -----<br>6,893,911<br>----- |                   |

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|  |        |         |             |      |
|--|--------|---------|-------------|------|
| REGIONAL MALL  | 9.71%  |         |             |      |
| CBL & Associates Properties.....   |        | 42,100  | 2,565,995   | 4.76 |
| Glimcher Realty Trust.....   |        | 95,200  | 2,313,360   | 7.90 |
| Macerich Co.....   |        | 107,500 | 5,728,675   | 4.58 |
| Mills Corp.....  |        | 109,000 | 5,653,830   | 4.59 |
|  |        |         | -----       |      |
|  |        |         | 16,261,860  |      |
|  |        |         | -----       |      |
| TOTAL SHOPPING CENTER.....   |        |         | 23,155,771  |      |
|  |        |         | -----       |      |
| SPECIALTY  | 0.21%  |         |             |      |
| American Campus Communities.....   |        | 19,400  | 360,064     | 7.27 |
|  |        |         | -----       |      |
| TOTAL COMMON STOCK (Identified<br>cost -- \$82,645,719).....             |        |         | 133,379,829 |      |
|  |        |         | -----       |      |
| PREFERRED STOCK  | 19.41% |         |             |      |
| DIVERSIFIED  | 1.20%  |         |             |      |
| Colonial Properties Trust, 9.25%,<br>Series C.....                       |        | 600     | 15,870      | 8.73 |
| Colonial Properties Trust, 8.125%,<br>Series D.....                      |        | 14,600  | 385,586     | 7.69 |
| Crescent Real Estate Equities Co.,<br>6.75%, Series A (Convertible)..... |        | 75,500  | 1,601,355   | 7.97 |
|  |        |         | -----       |      |
|  |        |         | 2,002,811   |      |
|  |        |         | -----       |      |
| HEALTH CARE  | 2.85%  |         |             |      |
| Nationwide Health Properties, 7.677%,<br>Series P.....                   |        | 47,000  | 4,767,563   | 7.57 |
|  |        |         | -----       |      |

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COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

SCHEDULE OF INVESTMENTS -- (CONTINUED)  
SEPTEMBER 30, 2004 (UNAUDITED)

|  |       | NUMBER<br>OF SHARES | VALUE     | DIVIDEND<br>YIELD |
|--|-------|---------------------|-----------|-------------------|
|  |       | -----               | -----     | -----             |
| HOTEL  | 0.20% |                     |           |                   |
| FelCor Lodging Trust, 9.00%,<br>Series B.....                        |       | 2,900               | \$ 74,240 | 8.79%             |
| Host Marriott Corp, 10.00%,<br>Series C.....                         |       | 3,500               | 94,220    | 9.29              |
| Host Marriott Financial Trust,<br>6.75%, QUIPS(a) (Convertible)..... |       | 3,200               | 171,200   | 6.32              |
|  |       |                     | -----     |                   |

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|  |         |  |           |      |
|--|---------|--|-----------|------|
|  |         |  | 339,660   |      |
|  |         |  | -----     |      |
| OFFICE                                 | 3.76%   |  |           |      |
| Alexandria Real Estate Equities,       |         |  |           |      |
| 9.10%, Series B.....                   | 13,900  |  | 375,578   | 8.44 |
| HRPT Properties Trust, 8.75%,          |         |  |           |      |
| Series B.....                          | 52,800  |  | 1,439,856 | 8.03 |
| Highwoods Properties, 8.625%,          |         |  |           |      |
| Series A.....                          | 4,300   |  | 4,485,438 | 8.27 |
|  |         |  | -----     |      |
|  |         |  | 6,300,872 |      |
|  |         |  | -----     |      |
| RESIDENTIAL -- APARTMENT               | 3.23%   |  |           |      |
| Apartment Investment & Management Co., |         |  |           |      |
| 8.75%, Series D.....                   | 6,431   |  | 162,511   | 8.67 |
| Apartment Investment & Management Co., |         |  |           |      |
| 9.375%, Series G.....                  | 113,200 |  | 3,017,912 | 8.78 |
| Apartment Investment & Management Co., |         |  |           |      |
| 10.10%, Series Q.....                  | 25,000  |  | 662,500   | 9.55 |
| Apartment Investment & Management Co., |         |  |           |      |
| 10.00%, Series R.....                  | 18,100  |  | 482,727   | 9.37 |
| Mid-America Apartment Communities,     |         |  |           |      |
| 8.30%, Series H.....                   | 17,300  |  | 445,821   | 8.07 |
| Post Properties, 8.50%, Series A.....  | 11,000  |  | 641,245   | 7.38 |
|  |         |  | -----     |      |
|  |         |  | 5,412,716 |      |
|  |         |  | -----     |      |
| SHOPPING CENTER                        | 8.17%   |  |           |      |
| COMMUNITY CENTER                       | 0.90%   |  |           |      |
| Developers Diversified Realty Corp.,   |         |  |           |      |
| 8.60%, Series F.....                   | 1,600   |  | 42,880    | 8.02 |
| Ramco-Gershenson Property Trust,       |         |  |           |      |
| 9.50%, Series B.....                   | 11,600  |  | 314,360   | 8.78 |
| Saul Centers, 8.00%, Series A.....     | 26,800  |  | 714,220   | 7.50 |
| Urstadt Biddle Properties, 8.50%,      |         |  |           |      |
| Series C.....                          | 4,000   |  | 437,000   | 7.78 |
|  |         |  | -----     |      |
|  |         |  | 1,508,460 |      |
|  |         |  | -----     |      |
| OUTLET CENTER                          | 0.47%   |  |           |      |
| Chelsea Property Group, 8.375%,        |         |  |           |      |
| Series A.....                          | 13,000  |  | 783,249   | 6.95 |
|  |         |  | -----     |      |

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(a) (QUIPS) Quarterly Income Preferred Securities  
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SCHEDULE OF INVESTMENTS -- (CONTINUED)  
 SEPTEMBER 30, 2004 (UNAUDITED)

|  |         | NUMBER<br>OF SHARES | VALUE           | DIVIDEND<br>YIELD |
|--|---------|---------------------|-----------------|-------------------|
|  |         | -----               | -----           | -----             |
| REGIONAL MALL  | 6.80%   |                     |                 |                   |
| CBL & Associates Properties, 8.75%,<br>Series B.....   |         | 13,000              | \$ 698,750      | 8.15%             |
| Glimcher Realty Trust, 8.125%,<br>Series G.....  |         | 16,000              | 407,200         | 7.98              |
| Mills Corp., 9.00%, Series B.....  |         | 73,800              | 2,005,884       | 8.28              |
| Mills Corp., 9.00%, Series C.....  |         | 25,000              | 687,500         | 8.18              |
| Mills Corp., 8.75%, Series E.....  |         | 26,000              | 702,000         | 8.11              |
| Pennsylvania Real Estate Investment<br>Trust, 11.00%, Series A.....  |         | 55,400              | 3,296,300       | 9.24              |
| Taubman Centers, 8.30%, Series A.....  |         | 139,500             | 3,587,940       | 8.09              |
|  |         |                     | -----           |                   |
|  |         |                     | 11,385,574      |                   |
|  |         |                     | -----           |                   |
| TOTAL SHOPPING CENTER.....   |         |                     | 13,677,283      |                   |
|  |         |                     | -----           |                   |
| TOTAL PREFERRED STOCK (Identified<br>cost -- \$27,602,204).....  |         |                     | 32,500,905      |                   |
|  |         |                     | -----           |                   |
| TOTAL EQUITIES (Identified<br>cost -- \$110,247,923).....  |         |                     | 165,880,734     |                   |
|  |         |                     | -----           |                   |
|  |         | PRINCIPAL<br>AMOUNT |                 |                   |
|  |         | -----               |                 |                   |
| CORPORATE BOND   | 0.39%   |                     |                 |                   |
| Host Marriott, LP, 9.50%, due 01/15/07<br>(Identified cost -- \$600,380).....                                  |         | \$600,000           | 667,500         |                   |
|  |         |                     | -----           |                   |
| TOTAL INVESTMENTS (Identified<br>cost -- \$110,848,303).....   | 99.41%  |                     | 166,548,234 (a) |                   |
| OTHER ASSETS IN EXCESS OF LIABILITIES...   | 0.59%   |                     | 982,867         |                   |
|  |         | -----               | -----           |                   |
| NET ASSETS (Equivalent to \$18.11 per<br>share based on 9,249,159 shares of<br>capital stock outstanding)..... | 100.00% |                     | \$167,531,101   |                   |
|  |         | -----               | -----           |                   |
|  |         | -----               | -----           |                   |

(a) At September 30, 2004, net unrealized appreciation was \$55,699,931 based on cost for federal income tax purposes of \$110,848,303. This consisted of aggregate gross unrealized appreciation on investments of \$55,732,496 and aggregate gross unrealized depreciation on investments of \$32,565.

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/ Robert H. Steers

-----  
Name: Robert H. Steers  
Title: Chairman

Date: November 29, 2004

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/ Robert H. Steers

By: /s/ Martin Cohen

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Name: Robert H. Steers  
Title: Chairman, Secretary and  
and principal executive officer

Name: Martin Cohen  
Title: President, Treasurer  
and principal financial officer

Date: November 29, 2004