

COHEN & STEERS QUALITY INCOME REALTY FUND INC  
Form N-CSR  
March 11, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act File Number: 811-10481

Cohen & Steers Quality Income Realty Fund, Inc.

(Exact name of registrant as specified in charter)

280 Park Avenue, New York, NY 10017

(Address of principal executive offices) (Zip code)

Dana A. DeVivo

Cohen & Steers Capital Management, Inc.

280 Park Avenue

New York, New York 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: December 31, 2018



**Item 1. Reports to Stockholders.**

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**COHEN & STEERS QUALITY INCOME REALTY FUND, INC.**

To Our Shareholders:

We would like to share with you our report for the year ended December 31, 2018. The total returns for Cohen & Steers Quality Income Realty Fund, Inc. (the Fund) and its comparative benchmarks were:

	Six Months Ended December 31, 2018	Year Ended December 31, 2018
Cohen & Steers Quality Income Realty Fund at Net Asset Value <sup>a</sup>	6.15%	6.32%
Cohen & Steers Quality Income Realty Fund at Market Value <sup>a</sup>	10.21%	11.11%
FTSE Nareit Equity REITs Index <sup>b</sup>	5.58%	4.62%
Blended Benchmark 80% FTSE Nareit Equity REITs Index/20% ICE BofAML REIT Preferred Securities Index <sup>b</sup>	5.83%	4.96%
S&P 500 Index <sup>b</sup>	6.85%	4.38%

*The performance data quoted represent past performance. Past performance is no guarantee of future results. The investment return and the principal value of an investment will fluctuate and shares, if sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance results reflect the effects of leverage, resulting from borrowings under a credit agreement. Current total returns of the Fund can be obtained by visiting our website at [cohenandsteers.com](http://cohenandsteers.com). The Fund's returns assume the reinvestment of all dividends and distributions at prices obtained under the Fund's dividend reinvestment plan. Index performance does not reflect the deduction of any fees, taxes or expenses. An investor cannot invest directly in an index. Performance figures for periods shorter than one year are not annualized.*

#### Managed Distribution Policy

The Fund, acting in accordance with an exemptive order received from the U.S. Securities and Exchange Commission (SEC) and with approval of its Board of Directors (the Board), adopted a managed distribution policy under which the Fund intends to include long-term capital gains, where applicable, as part of the regular monthly cash distributions to its shareholders (the Plan). The Plan gives the Fund greater flexibility to realize long-term capital gains and to distribute those gains on a regular monthly basis. In accordance with the Plan, the Fund currently distributes \$0.08 per share on a monthly basis.

<sup>a</sup> As a closed-end investment company, the price of the Fund's exchange-traded shares will be set by market forces and can deviate from the net asset value (NAV) per share of the Fund.

<sup>b</sup> The FTSE Nareit Equity REITs Index contains all tax-qualified real estate investment trusts (REITs) except timber and infrastructure REITs with more than 50% of total assets in qualifying real estate assets other than mortgages secured by real property that also meet minimum size and liquidity criteria. The ICE BofAML REIT Preferred Securities Index tracks the performance of fixed-rate U.S. dollar-denominated preferred securities issued in the U.S.

domestic market including all REITs. The S&P 500 Index is an unmanaged index of 500 large-capitalization stocks that is frequently used as a general measure of U.S. stock market performance.

**COHEN & STEERS QUALITY INCOME REALTY FUND, INC.**

The Fund may pay distributions in excess of the Fund's investment company taxable income and net realized gains. This excess would be a return of capital distributed from the Fund's assets. Distributions of capital decrease the Fund's total assets and, therefore, could have the effect of increasing the Fund's expense ratio. In addition, in order to make these distributions, the Fund may have to sell portfolio securities at a less than opportune time.

Shareholders should not draw any conclusions about the Fund's investment performance from the amount of these distributions or from the terms of the Fund's Plan. The Fund's total return based on NAV is presented in the table above as well as in the Financial Highlights table.

The Plan provides that the Board may amend or terminate the Plan at any time without prior notice to Fund shareholders; however, at this time, there are no reasonably foreseeable circumstances that might cause the termination. The termination of the Plan could have the effect of creating a trading discount (if the Fund's stock is trading at or above NAV) or widening an existing trading discount.

#### Market Review

Following a prolonged period of steady gains for stock markets, U.S. REITs declined in a difficult year for equities broadly. REITs initially struggled amid an early-period spike in bond yields and concerns about fundamentals for retail and health care landlords. REITs turned a corner in March as inflation remained generally benign, allowing bond yields to stabilize. Better-than-expected retail sales data added to positive sentiment, as did visible real estate merger and acquisition activity.

REIT returns reached their year-to-date highs in August, aided by continued U.S. job growth, reaccelerating economic activity, rising corporate profits and an 18-year high in consumer confidence. However, market conditions again turned challenging, reflecting a confluence of risk factors, including increased global trade tensions, slowing growth in China and Europe, and a sharp downturn in oil prices. Meanwhile, the U.S. Federal Reserve continued to raise short-term interest rates and as late as December indicated that it would hike rates at least two more times in 2019.

The fourth quarter saw a significant shift in investor preferences toward more defensive assets. After trailing the broad U.S. equity market for much of the year, real estate stocks began to outperform as investors generally favored them for their stable cash flows, high dividend yields and attractive relative valuations.

REIT preferred securities had a negative return for the year, with the bulk of their significant decline occurring in the fourth quarter. The group's generally low-coupon issues came under heavy pressure as credit spreads widened late in the period. In addition, technical pressures weighed on preferreds near the end of 2018, as ETFs and mutual funds that have sizable allocations to preferreds saw significant outflows, which resulted in widespread and often indiscriminate selling of preferred securities, including REIT preferreds. Tax loss-related selling likely contributed to these pressures ahead of year end.

**COHEN & STEERS QUALITY INCOME REALTY FUND, INC.**

*Fund Performance*

The Fund had a negative total return in the period and underperformed its blended benchmark on both a NAV and market price basis.

For REITs, the year saw a wide variation in returns by property type. Free-standing retail and health care landlords were positive standouts, favored for their relatively stable cash flows tied to typically long-term leases. Stock selection in both sectors detracted from the Fund's relative performance. In health care, the Fund did not hold Omega Healthcare Investors, which had a significant gain.

The data center sector was a notable underperformer, following two years of exceptionally strong performance, amid concerns of slowing demand and its ties to the technology sector. The Fund's overweight in the sector hindered relative performance.

Regional mall and shopping center REITs struggled amid secular concerns over loss of market share to online retailers and shifting consumer behaviors. Sentiment toward retail landlords was also hindered late in the year when Sears announced that it would file for bankruptcy and close more stores. The Fund was underweight both sectors, which aided relative performance; stock selection in regional malls further benefited performance, as the Fund did not own certain owners of lower-quality malls that had sizable share-price declines. Stock selection in the apartment, specialty and office sectors also helped performance.

The Fund's allocation to REIT preferreds contributed to relative performance compared with the blended benchmark, as these holdings held up better than the broader REIT preferreds market. Broadly speaking, the Fund was underweight or did not own some of the lowest-coupon issues that had large declines in the period.

*Impact of Leverage on Fund Performance*

The Fund employs leverage as part of a yield-enhancement strategy. Leverage, which can increase total return in rising markets (just as it can have the opposite effect in declining markets), detracted from the Fund's performance for the 12-month period ended December 31, 2018.

*Impact of Derivatives on Fund Performance*

The Fund engaged in the buying and selling of single stock options with the intention of enhancing total returns and reducing overall volatility. These contracts did not have a material effect on the Fund's total return for the 12-month period ended December 31, 2018.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

Sincerely,

THOMAS N. BOHJALIAN  
*Portfolio Manager*

WILLIAM F. SCAPELL  
*Portfolio Manager*

JASON YABLON  
*Portfolio Manager*

*The views and opinions in the preceding commentary are subject to change without notice and are as of the date of the report. There is no guarantee that any market forecast set forth in the commentary will be realized. This material represents an assessment of the market environment at a specific point in time, should not be relied upon as investment advice and is not intended to predict or depict performance of any investment.*

Visit Cohen & Steers online at [cohenandsteers.com](http://cohenandsteers.com)

For more information about the Cohen & Steers family of mutual funds, visit [cohenandsteers.com](http://cohenandsteers.com). Here you will find fund net asset values, fund fact sheets and portfolio highlights, as well as educational resources and timely market updates.

Our website also provides comprehensive information about Cohen & Steers, including our most recent press releases, profiles of our senior investment professionals and their investment approach to each asset class. The Cohen & Steers family of mutual funds invests in major real asset categories including real estate securities, listed infrastructure, commodities and natural resource equities, as well as preferred securities and other income solutions.



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**COHEN & STEERS QUALITY INCOME REALTY FUND, INC.**

## Our Leverage Strategy

(Unaudited)

Our current leverage strategy utilizes borrowings up to the maximum permitted by the Investment Company Act of 1940 to provide additional capital for the Fund, with an objective of increasing the net income available for shareholders. As of December 31, 2018, leverage represented 26% of the Fund's managed assets.

Through a combination of variable and fixed-rate financing, the Fund has locked in interest rates on a significant portion of this additional capital for periods expiring in 2020, 2021 and 2022<sup>a</sup> (where we effectively reduce our variable rate obligation and lock in our fixed-rate obligation over various terms). Locking in a significant portion of our leveraging costs is designed to protect the dividend-paying ability of the Fund. The use of leverage increases the volatility of the Fund's NAV in both up and down markets. However, we believe that locking in portions of the Fund's leveraging costs for the various terms partially protects the Fund's expenses from an increase in short-term interest rates.

Leverage Facts<sup>b,c</sup>

Leverage (as a % of managed assets)	26%
% Fixed-Rate	85%
% Variable Rate	15%
Weighted Average Rate on Financing	3.0% <sup>a</sup>
Weighted Average Term on Financing	2.7 years <sup>a</sup>

The Fund seeks to enhance its dividend yield through leverage. The use of leverage is a speculative technique and there are special risks and costs associated with leverage. The NAV of the Fund's shares may be reduced by the issuance and ongoing costs of leverage. So long as the Fund is able to invest in securities that produce an investment yield that is greater than the total cost of leverage, the leverage strategy will produce higher current net investment income for shareholders. On the other hand, to the extent that the total cost of leverage exceeds the incremental income gained from employing such leverage, shareholders would realize lower net investment income. In addition to the impact on net income, the use of leverage will have an effect of magnifying capital appreciation or depreciation for shareholders. Specifically, in an up market, leverage will typically generate greater capital appreciation than if the Fund were not employing leverage. Conversely, in down markets, the use of leverage will generally result in greater capital depreciation than if the Fund had been unlevered. To the extent that the Fund is required or elects to reduce its leverage, the Fund may need to liquidate investments, including under adverse economic conditions which may result in capital losses potentially reducing returns to shareholders. There can be no assurance that a leveraging strategy will be successful during any period in which it is employed.

- <sup>a</sup> On February 24, 2015, the Fund amended its credit agreement to extend the fixed-rate financing terms, originally expiring in 2017, 2018 and 2019, by three years, now expiring in 2020, 2021 and 2022, respectively. The weighted average rate on financing does not include the three year extension for the 2022 fixed-rate tranche and will increase as the extended fixed-rate tranche becomes effective in 2019. The weighted average term on financing includes the three year extension.
- <sup>b</sup> Data as of December 31, 2018. Information is subject to change.
- <sup>c</sup> See Note 7 in Notes to Financial Statements.

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**COHEN & STEERS QUALITY INCOME REALTY FUND, INC.**

December 31, 2018

Top Ten Holdings<sup>a</sup>

(Unaudited)

Security	Value	% of Managed Assets
Prologis, Inc.	\$ 81,646,637	4.7
Essex Property Trust, Inc.	81,061,767	4.7
UDR, Inc.	70,776,772	4.1
Equinix, Inc.	62,053,733	3.6
Ventas, Inc.	52,862,359	3.0
Digital Realty Trust, Inc.	50,883,485	2.9
Sun Communities, Inc.	48,277,770	2.8
Extra Space Storage, Inc.	46,607,063	2.7
Crown Castle International Corp.	45,526,616	2.6
Welltower, Inc.	44,546,644	2.6

<sup>a</sup> Top ten holdings are determined on the basis of the value of individual securities held. The Fund may also hold positions in other types of securities issued by the companies listed above. See the Schedule of Investments for additional details on such other positions.

Sector Breakdown

(Based on Managed Assets)

(Unaudited)

## COHEN &amp; STEERS QUALITY INCOME REALTY FUND, INC.

## SCHEDULE OF INVESTMENTS

December 31, 2018

		Shares	Value
COMMON STOCK	109.3%		
COMMUNICATIONS TOWERS	3.6%		
Crown Castle International Corp. <sup>a,b</sup>		419,098	\$ 45,526,616
REAL ESTATE	105.7%		
DATA CENTERS	11.0%		
CyrusOne, Inc. <sup>a,b</sup>		522,183	27,613,037
Digital Realty Trust, Inc. <sup>a,b</sup>		477,555	50,883,485
Equinix, Inc. <sup>a,b</sup>		176,009	62,053,733
			140,550,255
DIVERSIFIED	0.7%		
American Assets Trust, Inc. <sup>b</sup>		216,013	8,677,242
BGP Holdings PLC (Australia) <sup>c,d</sup>		3,927,678	
			8,677,242
HEALTH CARE	16.6%		
HCP, Inc.		1,446,088	40,389,238
Healthcare Trust of America, Inc., Class A <sup>a,b</sup>		1,173,949	29,712,649
National Health Investors, Inc. <sup>a,b</sup>		263,998	19,942,409
Sabra Health Care REIT, Inc.		1,508,710	24,863,541
Ventas, Inc.		902,242	52,862,359
Welltower, Inc.		641,790	44,546,644
			212,316,840
HOTEL	5.8%		
Host Hotels & Resorts, Inc. <sup>a,b</sup>		1,843,754	30,735,379
Pebblebrook Hotel Trust		467,408	13,232,321
RLJ Lodging Trust <sup>b</sup>		628,698	10,310,647
Sunstone Hotel Investors, Inc. <sup>a,b</sup>		1,493,037	19,424,411
			73,702,758
INDUSTRIALS	6.4%		
Prologis, Inc. <sup>a,b</sup>		1,390,440	81,646,637

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NET LEASE	5.4%		
Four Corners Property Trust, Inc.		849,169	22,248,228
Gaming and Leisure Properties, Inc.		260,563	8,418,790
Spirit Realty Capital, Inc.		744,649	26,248,877
VICI Properties, Inc.		673,410	12,646,640
			69,562,535

See accompanying notes to financial statements.

## COHEN &amp; STEERS QUALITY INCOME REALTY FUND, INC.

## SCHEDULE OF INVESTMENTS (Continued)

December 31, 2018

		Shares	Value
OFFICE	12.2%		
Alexandria Real Estate Equities, Inc. <sup>a,b</sup>		222,761	\$ 25,670,978
Boston Properties, Inc. <sup>a,b</sup>		294,272	33,120,314
Douglas Emmett, Inc. <sup>a,b</sup>		654,904	22,351,874
Hudson Pacific Properties, Inc. <sup>a,b</sup>		553,190	16,075,701
Kilroy Realty Corp. <sup>a,b</sup>		546,471	34,362,096
Vornado Realty Trust <sup>a,b</sup>		408,169	25,318,723
			156,899,686
RESIDENTIAL	26.6%		
APARTMENT	18.8%		
Apartment Investment & Management Co., Class A <sup>b</sup>		421,694	18,503,933
Equity Residential <sup>a,b</sup>		606,839	40,057,442
Essex Property Trust, Inc. <sup>a,b</sup>		330,581	81,061,767
Mid-America Apartment Communities, Inc.		317,616	30,395,851
UDR, Inc. <sup>a,b</sup>		1,786,390	70,776,772
			240,795,765
MANUFACTURED HOME	3.8%		
Sun Communities, Inc. <sup>a,b</sup>		474,661	48,277,770
SINGLE FAMILY	3.0%		
Invitation Homes, Inc. <sup>b</sup>		1,919,622	38,546,010
STUDENT HOUSING	1.0%		
American Campus Communities, Inc. <sup>a,b</sup>		328,039	13,577,534
TOTAL RESIDENTIAL			341,197,079
SELF STORAGE	7.2%		
Extra Space Storage, Inc. <sup>a,b</sup>		515,109	46,607,063
Life Storage, Inc. <sup>a,b</sup>		193,170	17,962,878
Public Storage <sup>a,b</sup>		138,620	28,058,074
			92,628,015
SHOPPING CENTERS	10.7%		

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COMMUNITY CENTER	4.8%		
Brixmor Property Group, Inc. <sup>a,b</sup>		1,283,562	18,855,526
Regency Centers Corp. <sup>a,b</sup>		450,728	26,448,719
Weingarten Realty Investors <sup>b</sup>		645,991	16,027,037
			61,331,282

See accompanying notes to financial statements.

## COHEN &amp; STEERS QUALITY INCOME REALTY FUND, INC.

## SCHEDULE OF INVESTMENTS (Continued)

December 31, 2018

		Shares	Value
FREE STANDING	2.7%		
Realty Income Corp.		552,481	\$ 34,828,402
REGIONAL MALL	3.2%		
Simon Property Group, Inc. <sup>a,b</sup>		241,701	40,603,351
TOTAL SHOPPING CENTERS			136,763,035
SPECIALTY	3.1%		
Iron Mountain, Inc.		566,529	18,361,205
Lamar Advertising Co., Class A		313,287	21,673,195
			40,034,400
TOTAL REAL ESTATE			1,353,978,482
TOTAL COMMON STOCK (Identified cost \$1,095,519,788)			1,399,505,098
EXCHANGE-TRADED FUNDS U.S. EQUITY	0.2%		
iShares US Preferred Stock ETF		78,687	2,693,456
TOTAL EXCHANGE-TRADED FUNDS (Identified cost \$2,631,781)			2,693,456
PREFERRED SECURITIES \$25 PAR VALUE	16.8%		
BANKS	0.7%		
GMAC Capital Trust I, 8.401%, (3 Month US LIBOR + 5.785%), due 2/15/40, Series 2 (TruPS) (FRN) <sup>e</sup>		250,000	6,337,500
Huntington Bancshares, Inc., 6.25%, Series D <sup>f</sup>		75,432	1,872,222
			8,209,722
FINANCIAL DIVERSIFIED FINANCIAL SERVICES	0.2%		
KKR & Co., Inc., 6.75%, Series A <sup>f</sup>		107,425	2,778,011
Oaktree Capital Group LLC, 6.55%, Series B <sup>f</sup>		7,019	159,331
			2,937,342



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INDUSTRIALS CHEMICALS	0.1%		
CHS, Inc., 6.75% to 9/30/24, Series 3 <sup>f,g</sup>		31,954	768,813
REAL ESTATE	15.7%		
DIVERSIFIED	3.4%		
Colony Capital, Inc., 8.25%, Series B <sup>f</sup>		45,025	1,040,077
Colony Capital, Inc., 8.75%, Series E <sup>f</sup>		182,107	4,213,956
Colony Capital, Inc., 7.15%, Series I <sup>f</sup>		110,684	2,042,120
Colony Capital, Inc., 7.125%, Series J <sup>f</sup>		36,977	682,226

See accompanying notes to financial statements.

## COHEN &amp; STEERS QUALITY INCOME REALTY FUND, INC.

## SCHEDULE OF INVESTMENTS (Continued)

December 31, 2018

	Shares	Value
EPR Properties, 9.00%, Series E (Convertible) <sup>b,f</sup>	231,000	\$ 7,854,000
EPR Properties, 5.75%, Series G <sup>f</sup>	137,002	2,863,342
Investors Real Estate Trust, 6.625%, Series C <sup>f</sup>	98,959	2,278,036
Lexington Realty Trust, 6.50%, Series C (\$50 Par Value) <sup>b,f</sup>	76,395	3,764,746
National Retail Properties, Inc., 5.70%, Series E <sup>f</sup>	194,615	4,476,145
National Retail Properties, Inc., 5.20%, Series F <sup>f</sup>	48,717	1,018,185
Spirit Realty LP, 4.45%, due 9/15/26	2,750,000	2,647,432
Urstadt Biddle Properties, Inc., 6.75%, Series G <sup>f</sup>	50,000	1,230,000
Urstadt Biddle Properties, Inc., 6.25%, Series H <sup>f</sup>	192,556	4,515,438
Wells Fargo Real Estate Investment Corp., 6.375%, Series A <sup>f</sup>	207,537	5,198,802
		43,824,505
<b>HOTEL</b>	<b>2.4%</b>	
Ashford Hospitality Trust, Inc., 7.375%, Series F <sup>f</sup>	216,000	4,011,120
Ashford Hospitality Trust, Inc., 7.50%, Series H <sup>f</sup>	100,000	1,912,000
Ashford Hospitality Trust, Inc., 7.50%, Series I <sup>f</sup>	165,000	3,138,300
Pebblebrook Hotel Trust, 6.50%, Series C <sup>f</sup>	160,000	3,739,200
Pebblebrook Hotel Trust, 6.30%, Series F <sup>f</sup>	134,000	3,158,380
Summit Hotel Properties, Inc., 6.45%, Series D <sup>f</sup>	123,000	2,656,800
Summit Hotel Properties, Inc., 6.25%, Series E <sup>f</sup>	200,000	4,104,000
Sunstone Hotel Investors, Inc., 6.95%, Series E <sup>f</sup>	180,000	4,473,000
Sunstone Hotel Investors, Inc., 6.45%, Series F <sup>f</sup>	127,100	2,963,336
		30,156,136
<b>INDUSTRIALS</b>	<b>1.4%</b>	
Monmouth Real Estate Investment Corp., 6.125%, Series C <sup>f</sup>	200,000	4,548,000
PS Business Parks, Inc., 5.75%, Series U <sup>a,b,f</sup>	217,978	5,111,584
PS Business Parks, Inc., 5.70%, Series V <sup>f</sup>	120,000	2,844,000
Rexford Industrial Realty, Inc., 5.875%, Series A <sup>f</sup>	85,500	1,911,780
STAG Industrial, Inc., 6.875%, Series C <sup>f</sup>	120,000	3,084,000
		17,499,364
<b>MANUFACTURED HOME</b>	<b>0.1%</b>	
UMH Properties, Inc., 6.75%, Series C <sup>f</sup>	79,845	1,838,032
<b>NET LEASE</b>	<b>1.8%</b>	

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Gladstone Commercial Corp., 7.00%, Series D <sup>f</sup>	20,000	465,000
Spirit Realty Capital, Inc., 6.00%, Series A <sup>f</sup>	226,071	4,521,420

See accompanying notes to financial statements.

## COHEN &amp; STEERS QUALITY INCOME REALTY FUND, INC.

## SCHEDULE OF INVESTMENTS (Continued)

December 31, 2018

	Shares	Value
VEREIT, Inc., 6.70%, Series F <sup>a,b,f</sup>	763,597	\$ 18,066,705
		23,053,125
OFFICE	0.6%	
SL Green Realty Corp., 6.50%, Series I <sup>f</sup>	250,396	6,317,491
Vornado Realty Trust, 5.70%, Series K <sup>f</sup>	86,024	1,934,680
		8,252,171
RESIDENTIAL	1.6%	
APARTMENT	0.7%	
Apartment Investment & Management Co., 6.875% <sup>a,b,f</sup>	204,000	5,202,000
Bluerock Residential Growth REIT, Inc., 8.25%, Series A <sup>f</sup>	157,100	3,974,630
		9,176,630
SINGLE FAMILY	0.9%	
American Homes 4 Rent, 6.50%, Series D <sup>b,f</sup>	201,340	4,534,177
American Homes 4 Rent, 6.35%, Series E <sup>f</sup>	199,182	4,411,881
American Homes 4 Rent, 6.25%, Series H <sup>f</sup>	107,714	2,393,405
		11,339,463
TOTAL RESIDENTIAL		20,516,093
SELF STORAGE	0.7%	
National Storage Affiliates Trust, 6.00%, Series A <sup>f</sup>	120,000	2,694,000
Public Storage, 5.15%, Series F <sup>f</sup>	12,850	277,046
Public Storage, 6.375%, Series Y <sup>f</sup>	157,979	3,966,853
Public Storage, 6.00%, Series Z <sup>f</sup>	100,000	2,505,000
		9,442,899
SHOPPING CENTERS	2.5%	
COMMUNITY CENTER	1.4%	
Cedar Realty Trust, Inc., 7.25%, Series B <sup>b,f</sup>	46,078	1,067,627
Saul Centers, Inc., 6.875%, Series C <sup>f</sup>	69,840	1,760,317
Saul Centers, Inc., 6.125%, Series D <sup>f</sup>	101,300	2,116,157

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SITE Centers Corp., 6.375%, Series A <sup>f</sup>	172,703	3,730,385
SITE Centers Corp., 6.50%, Series J <sup>f</sup>	423,900	9,609,813
		18,284,299
REGIONAL MALL	1.1%	
Brookfield Property REIT, Inc., 6.375%, Series A <sup>f</sup>	202,943	4,393,716
Pennsylvania REIT, 7.20%, Series C <sup>f</sup>	158,825	2,555,495

See accompanying notes to financial statements.

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**COHEN & STEERS QUALITY INCOME REALTY FUND, INC.**

## SCHEDULE OF INVESTMENTS (Continued)

December 31, 2018

	Shares	Value
Pennsylvania REIT, 6.875%, Series D <sup>f</sup>	120,000	\$ 1,864,800
Taubman Centers, Inc., 6.25%, Series K <sup>f</sup>	187,582	4,417,556
		13,231,567
TOTAL SHOPPING CENTERS		31,515,866
SPECIALTY	1.2%	
Digital Realty Trust, Inc., 6.625%, Series C <sup>f</sup>	179,137	4,743,548
Digital Realty Trust, Inc., 7.375%, Series H <sup>f</sup>	75,000	1,890,750
Digital Realty Trust, Inc., 6.35%, Series I <sup>f</sup>	234,000	5,959,980
QTS Realty Trust, Inc., 7.125%, Series A <sup>f</sup>	115,975	2,667,425
		15,261,703
TOTAL REAL ESTATE		201,359,894
UTILITIES	0.1%	
SCE Trust VI, 5.00% <sup>f</sup>	70,868	1,289,089
TOTAL PREFERRED SECURITIES \$25 PAR VALUE (Identified cost \$224,373,325)		214,564,860
	Principal Amount	

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