

NUVEEN REAL ESTATE INCOME FUND
Form N-Q
May 29, 2009

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM N-Q
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT
INVESTMENT COMPANY

Investment Company Act file number 811-10491

Nuveen Real Estate Income Fund

(Exact name of registrant as specified in charter)

333 West Wacker Drive, Chicago, Illinois 60606

(Address of principal executive offices) (Zip code)

Kevin J. McCarthy Vice President and Secretary

333 West Wacker Drive, Chicago, Illinois 60606

(Name and address of agent for service)

Registrant's telephone number, including area code: 312-917-7700

Date of fiscal year end: 12/31

Date of reporting period: 3/31/2009

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Schedule of Investments**Portfolio of Investments (Unaudited)****Nuveen Real Estate Income Fund (JRS)**

March 31, 2009

| Shares | Description (1) | Value |
|-----------|--|------------|
| | Real Estate Investment Trust Common Stocks 53.2% (38.3% of Total Investments) | |
| | Diversified 0.0% | |
| 947 | Vornado Realty Trust | \$ 31,478 |
| | Office 8.2% | |
| 153,400 | Boston Properties, Inc. | 5,373,602 |
| 294,900 | Douglas Emmett Inc. | 2,179,311 |
| 166,800 | SL Green Realty Corporation | 1,801,440 |
| | Total Office | 9,354,353 |
| | Residential 13.1% | |
| 105,908 | AvalonBay Communities, Inc. | 4,984,030 |
| 369,700 | Equity Residential | 6,783,995 |
| 302,400 | Post Properties, Inc. | 3,066,336 |
| | Total Residential | 14,834,361 |
| | Retail 14.6% | |
| 178,800 | Federal Realty Investment Trust | 8,224,800 |
| 274,400 | Macerich Company | 1,717,745 |
| 140,000 | Regency Centers Corporation | 3,719,800 |
| 83,271 | Simon Property Group, Inc. | 2,884,507 |
| | Total Retail | 16,546,852 |
| | Specialized 17.3% | |
| 1,459,200 | Extra Space Storage Inc. | 8,040,192 |
| 301,000 | Health Care Property Investors Inc. | 5,372,850 |
| 278,400 | Ventas Inc. | 6,294,624 |

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| | |
|---|-------------------|
| Total Specialized | 19,707,666 |
| Total Real Estate Investment Trust Common Stocks (cost \$121,316,153) | 60,474,710 |

| Shares | Description (1) | Coupon | Value |
|---|---|--------|--------------|
| Real Estate Investment Trust Preferred Stocks 75.2% (54.2% of Total Investments) | | | |
| Diversified 21.2% | | | |
| 679,942 | Duke-Weeks Realty Corporation | 6.950% | \$ 5,779,507 |
| 115,300 | Lexington Corporate Properties Trust, Series B | 8.050% | 1,049,230 |
| 686,600 | Lexington Realty Trust | 7.550% | 5,506,532 |
| 400,000 | PS Business Parks, Inc., Series O | 7.375% | 6,400,000 |
| 196,000 | Vornado Realty Trust, Series G | 6.625% | 2,747,920 |
| 75,200 | Vornado Realty Trust, Series H | 6.750% | 1,075,360 |
| 102,000 | Vornado Realty Trust, Series I | 6.625% | 1,545,300 |
| | Total Diversified | | 24,103,849 |
| Industrial 2.6% | | | |
| 211,000 | AMB Property Corporation, Series P | 6.850% | 2,991,980 |
| Office 8.3% | | | |
| 12,141 | Highwoods Properties, Inc., Series A | 8.625% | 7,956,149 |
| 43,419 | Highwoods Properties, Inc., Series B | 8.000% | 715,762 |
| 81,000 | HRPT Properties Trust, Series C | 7.125% | 799,470 |
| | Total Office | | 9,471,381 |
| Residential 9.5% | | | |
| 511,100 | Apartment Investment & Management Company, Series U | 7.750% | 5,162,110 |
| 179,300 | Apartment Investment & Management Company, Series Y | 7.875% | 1,852,169 |
| 253,325 | BRE Properties, Series D | 6.750% | 3,726,411 |
| | Total Residential | | 10,740,690 |
| Retail 8.6% | | | |
| 103,400 | Saul Centers, Inc. | 9.000% | 2,088,680 |
| 143,100 | Taubman Centers, Inc., Series G | 8.000% | 2,176,551 |

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| | | | |
|---------|---------------------------------|--------|-----------|
| 356,900 | Taubman Centers, Inc., Series H | 7.625% | 5,446,294 |
| | Total Retail | | 9,711,525 |

Specialized 25.0%

| | | | |
|---------|---|--------|------------|
| 103,300 | Hersha Hospitality Trust, Series A | 8.000% | 841,895 |
| 799,900 | Hospitality Properties Trust, Series C | 7.000% | 9,318,834 |
| 678,999 | Public Storage, Inc., Series I | 7.250% | 13,240,482 |
| 76,462 | Public Storage, Inc., Series K | 7.250% | 1,470,364 |
| 175,000 | Strategic Hotel Capital Inc., Series B | 8.250% | 437,500 |
| 320,000 | Strategic Hotel Capital Inc., Series C | 8.250% | 800,000 |
| 274,300 | Sunstone Hotel Investors Inc., Series A | 8.000% | 2,331,550 |

Total Specialized 28,440,625

Total Real Estate Investment Trust Preferred Stocks **85,460,050**
(cost \$162,232,526)

Principal Amount

(000) Description (1) Coupon Maturity Ratings Value

Convertible Bonds 2.7% (1.9% of Total Investments)

Retail 2.7%

\$ 6,500 Macerich Company, Convertible Bond 3.250% 3/15/12 N/R \$ 3,063,125

Total Convertible Bonds (cost \$5,416,773) 3,063,125

Principal Amount

(000) Description (1) Coupon Maturity Value

Short-Term Investments 7.8% (5.6% of Total Investments)

\$ 8,833 Repurchase Agreement with Fixed Income Clearing Corporation, dated 3/31/09, repurchase price \$8,833,034, collateralized by \$8,980,000 U.S. Treasury Notes, 2.375%, due 3/31/16, value \$9,013,675 0.100% 4/01/09 \$ 8,833,009

Total Short-Term Investments (cost \$8,833,009) 8,833,009

Total Investments (cost \$297,798,461) 138.9% 157,830,894

| | |
|---|-----------------------|
| Borrowings (18.9)% (2)(3) | (21,500,000) |
| Other Assets Less Liabilities 5.0% | (5,704,826) |
| Taxable Auction Preferred Shares, at Liquidation Value (15.0)% (2) | (17,000,000) |
| Net Assets Applicable to Common Shares 100% | \$ 113,626,068 |

Fair Value Measurements

During the current fiscal period, the Fund adopted the provisions of Statement of Financial Accounting Standards No. 157 (SFAS No. 157) Fair Value Measurements. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosure about fair value measurements. In determining the value of the Fund's investments various inputs are used. These inputs are summarized in the three broad levels listed below:

Level 1 Quoted prices in active markets for identical securities.

Level 2 Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 Significant unobservable inputs (including management's assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

The following is a summary of the Fund's fair value measurements as of March 31, 2009:

| | Level 1 | Level 2 | Level 3 | Total |
|-------------|----------------|----------------|----------------|----------------|
| Investments | \$ 146,811,620 | \$ 11,019,274 | \$ | \$ 157,830,894 |

Income Tax Information

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recognition of income on REIT investments and timing differences in recognizing certain gains and losses on investment transactions. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts on the Statement of Assets and Liabilities presented in the annual report, based on their federal tax basis treatment; temporary differences do not require reclassification. Temporary and permanent differences do not impact the net asset value of the Fund.

At March 31, 2009, the cost of investments was \$300,290,064.

Gross unrealized appreciation and gross unrealized depreciation of investments at March 31, 2009, were as follows:

| | |
|-------------------|---------------|
| Gross unrealized: | |
| Appreciation | \$ 5,485,175 |
| Depreciation | (147,944,345) |

Net unrealized appreciation (depreciation) of investments \$ (142,459,170)

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Borrowings and Taxable Auction Preferred Shares, at Liquidation Value as a percentage of Total Investments are 13.6% and 10.8%, respectively.
- (3) The Fund may pledge up to 100% of its eligible investments in the Portfolio of Investments as collateral for Borrowings. As of March 31, 2009, investments with a value of \$69,792,843 have been pledged as collateral for Borrowings.

N/R Not rated.

Item 2. Controls and Procedures.

- a. The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act) (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934 (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- b. There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)), exactly as set forth below: EX-99 CERT Attached hereto.

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.

(Registrant) Nuveen Real Estate Income Fund

By (Signature and Title) /s/ Kevin J. McCarthy
Kevin J. McCarthy
Vice President and Secretary

Date May 29, 2009

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 (Signature and Title) /s/ Gifford R. Zimmerman
Gifford R. Zimmerman
Chief Administrative Officer (principal executive officer)

Date May 29, 2009

By (Signature and Title) /s/ Stephen D. Foy
Stephen D. Foy
Vice President and Controller (principal financial officer)

Date May 29, 2009