COHEN & STEERS QUALITY INCOME REALTY FUND INC
Form N-CSRS
August 27, 2013

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)

Tina M. Payne
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: June 30, 2013

Item 1. Reports to Stockholders.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

To Our Shareholders:

We would like to share with you our report for the six months ended June 30, 2013. The net asset value (NAV) at that date was $11.28 per common share. The Fund's common stock is traded on the New York Stock Exchange (NYSE) and its share price can differ from its NAV; at period end, the Fund's closing price on the NYSE was $11.23.

The total returns, including income, for the Fund and its comparative benchmarks were:

	Six Months Ended June 30, 2013
Cohen & Steers Quality Income Realty Fund at NAV[a]	6.69%
Cohen & Steers Quality Income Realty Fund at Market Value[a]	14.05%
FTSE NAREIT Equity REIT Index[b]	6.49%
Blended benchmark 80% FTSE NAREIT Equity REIT Index/ 20% BofA Merrill Lynch REIT Preferred Index[b]	4.81%
S&P 500 Index[b]	13.82%

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. 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

Cohen & Steers Quality Income Realty Fund, Inc. (the Fund), acting in accordance with an exemptive order received from the Securities and Exchange Commission 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 quarterly cash distributions to its shareholders (the Plan). The Plan will give the Fund greater flexibility to realize long-term capital gains

[a] As a closed-end investment company, the price of the Fund's NYSE-traded shares will be set by market forces and at times may deviate from the NAV per share of the Fund.

[b] The FTSE NAREIT Equity REIT Index is an unmanaged, market-capitalization-weighted index of all publicly traded REITs that invest predominantly in the equity ownership of real estate. The index is designed to reflect the performance of all publicly traded equity REITs as a whole. The BofA Merrill Lynch REIT Preferred Index is an unmanaged index of real estate preferred securities. The S&P 500 Index is an unmanaged index of common stocks that is frequently used as a general measure of stock market performance.

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and to distribute those gains on a regular quarterly basis. In accordance with the Plan, the Fund currently distributes $0.18 per share on a quarterly basis.

The Fund may pay distributions in excess of the Fund's investment company taxable income and 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 net asset value 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 net asset value) or widening an existing trading discount.

The Fund implements fair value pricing when the daily change in a specific U.S. market index exceeds a predetermined percentage. Fair value pricing adjusts the valuation of certain non-U.S. holdings to account for such index change following the close of foreign markets. This standard practice has been adopted by a majority of the fund industry. In the event fair value pricing is implemented on the first and/or last day of a performance measurement period, the Fund's return may diverge from the relative performance of its benchmark index, which does not use fair value pricing.

Investment Review

U.S. real estate securities had solid gains in the first half of 2013, helped by improving demand and very little new supply in most property sectors. However, late in the period REITs declined sharply along with other income-oriented assets, as Treasury yields rose in response to news that the Federal Reserve might taper its bond purchasing program relatively soon. Despite the rise in yields, REITs maintained generally strong balance sheets, with low-rate debt typically structured at fixed, multi-year terms.

Commercial real estate benefited broadly from signs of a housing-led economic recovery. Property sectors with short lease terms and cyclically sensitive businesses generally fared well in this environment, including hotels (10.5% total return[c]) and self storage (9.0%). The residential market also provided a boost to shopping center and industrial REITs (8.3% and 6.0%, respectively) given their ties to local economic growth and housing-related businesses. By contrast, the apartment sector (3.7%) was hindered by concerns that rising home purchases, along with accelerating multifamily supply, would have a negative impact on cash flow growth.

[c] Sector returns as measured by the FTSE NAREIT Equity REIT Index.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

Health care REITs (9.4%) continued to actively acquire properties, although the premium valuations placed on these properties limited their potential earnings benefit. Markets priced in a particularly favorable outlook for senior living centers, which historically have a strong correlation to housing and employment.

The office sector (6.7%) saw some aggressive bidding on New York properties. An investor took a 40% stake in the GM building, making it the most valuable office building in the U.S., with an estimated worth of $3.4 billion. Late in the period, an unidentified bidder offered to buy the Empire State Building for $2.1 billion, the second takeover proposal reported before a planned initial public offering that would include the building. These deals reflected a broader trend of rising real estate investment demand from sources eager for yield and inflation protection.

IPO and M&A activity was visible

There were 11 new listings from real estate companies in the first half of 2013, a combination of initial public offerings and private REITs that became listed on the exchange. The issuers have generally been specialty REITs, such as data-center owners and companies that purchase single-family homes to rent. On the merger and acquisition front, Mid-America Apartment Communities and Colonial Properties Trust announced a merger that would create a publicly traded apartment REIT focused on Sunbelt markets. The combined company was expected to have a total market capitalization of $8.6 billion at the time of the announcement.

REIT Preferreds declined

Preferred securities issued by real estate companies had a total return of 1.9% in the period as measured by the BofA Merrill Lynch REIT Preferred Index, hindered by the rise in Treasury yields. The high credit quality REIT preferreds that comprise the index underperformed investment-grade preferreds issued by financial companies, as many were relatively new issues with lower income rates and credit spreads, and therefore had much less room for yield-spread compression.

Fund performance

The Fund had a positive total return in the period and outperformed its blended benchmark based on NAV and market value. Factors that aided relative performance based on NAV included stock selection in the apartment sector. In the hotel sector, returns were helped by our overweight in Strategic Hotels & Resorts, which rallied on speculation that the company might be acquired. The Fund's allocation to REIT preferred securities benefited performance both in absolute and relative terms.

Relative returns were hindered by stock selection in the regional mall and diversified sectors. Within the diversified sector, our position in Digital Realty Trust detracted, as it struggled amid concerns regarding high capital expenditures and the lease-negotiating power of its large tenants. Our underweights in the health care (9.4%) and free-standing retail (9.5%) sectors also hampered relative performance.

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Impact of leverage on Fund performance

The Fund's use of leverage contributed to the Fund's performance during the six-month period ended June 30, 2013.

Investment Outlook

We expect the Federal Reserve to moderate quantitative easing once stronger and more sustained economic growth is observed, which we expect in late 2013. In this scenario, we believe Treasury yields are likely to be higher in 2014, although we would emphasize that the path to higher interest rates runs through an improving economy. Better growth could have a greater impact on investor sentiment than a move away from historically low rates, in our view.

We believe that an environment of low new supply and improving demand generated by a housing-led economic recovery should be supportive of REIT shares. The group has historically performed well in periods of economic growth, even when accompanied by rising interest rates, as occupancies and rents are often correlated with rising employment and GDP. Given that distributions for most U.S. REITs are near the required minimum, companies will likely need to raise their payouts as cash flows improve, offering the potential for strong dividend growth over the next several years, in our view. Based on our cash-flow-growth projections, we believe valuations for U.S. REITs are attractive relative to where we are in the real estate cycle.

Our focus is on REITs with the potential to outperform in an environment of greater economic growth. From a sector standpoint, we like the shopping center, industrial, self-storage and hotel sectors. We have sold some suburban office owners, as we believe the group's valuation advantage has narrowed relative to central business district office companies. West Coast offices still offer strong fundamentals, although we are monitoring these companies for signs of slowing growth in rents and absorption.

With regard to REIT preferreds, we believe that the recent downdraft in these securities has been somewhat rational, as prospects for lower Federal Reserve accommodation has increased uncertainty. However, we believe the extent of repricing of many preferreds has led to a value entry point in many securities. With yield spreads already wide of historical levels before the selloff and even wider now, we believe many securities look quite compelling, even if we assume that Treasury yields will rise further.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

Sincerely,

MARTIN COHEN *Co-chairman*	ROBERT H. STEERS *Co-chairman*
JOSEPH M. HARVEY *Portfolio Manager*	WILLIAM F. SCAPELL *Portfolio Manager*
THOMAS N. BOHJALIAN *Portfolio Manager*	JASON YABLON *Portfolio Manager*

The views and opinions in the preceding commentary are subject to change and are as of the date of publication. 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

For more information about any of our funds, visit cohenandsteers.com, where you will find net asset values, fund fact sheets and portfolio highlights. You can also access newsletters, education tools and market updates covering the global real estate, commodities, global natural resource equities, listed infrastructure, utilities, large cap value and preferred securities sectors.

In addition, our website contains comprehensive information about our firm, including our most recent press releases, profiles of our senior investment professionals and an overview of our investment approach.

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 June 30, 2013, leverage represented 27% 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 of five, six and seven years (where we effectively reduce our variable rate obligation and fix our rate obligation over various terms). Specifically, as of June 30, 2013, we have fixed the rate on 85% of our borrowings at an average interest rate of 1.9% for an average remaining term of 4.8 years. 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 net asset value 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[a,b]

Leverage (as a % of managed assets)	27%
% Fixed Rate	85%
% Variable Rate	15%
Weighted Average Rate on Financing	1.9%
Weighted Average Term on Financing	4.8 years

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 net asset value of the Fund's common 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 the common shareholders. On the other hand, to the extent that the total cost of leverage exceeds the incremental income gained from employing such leverage, the common 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 common 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 common shareholders. There can be no assurance that a leveraging strategy will be successful during any period in which it is employed.

[a] Data as of June 30, 2013. Information is subject to change.

[b] See Note 7 in Notes to Financial Statements.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

June 30, 2013

Top Ten Holdings[a]
(Unaudited)

Security	Market Value	% of Managed Assets
Simon Property Group	$154,736,964	9.1
Ventas	83,780,707	4.9
Prologis	75,525,549	4.4
Equity Residential	73,446,016	4.3
Health Care REIT	66,259,155	3.9
Vornado Realty Trust	58,154,900	3.4
Public Storage	45,250,903	2.7
Kimco Realty Corp.	38,117,841	2.2
SL Green Realty Corp.	33,555,237	2.0
Realty Income Corp.	30,829,435	1.8

[a] 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 & STEERS QUALITY INCOME REALTY FUND, INC.

SCHEDULE OF INVESTMENTS

June 30, 2013 (Unaudited)

		Number of Shares	Value
COMMON STOCK REAL ESTATE	111.5%		
DIVERSIFIED	11.0%		
American Assets Trust[a,b]		344,815	$ 10,640,991
BGP Holdings PLC (Australia) (EUR)[c,d,e]		3,927,678	0
Colony Financial[a]		705,219	14,026,806
Cousins Properties[a]		1,019,088	10,292,789
Duke Realty Corp.[a]		1,387,700	21,634,243
Forest City Enterprises, Class A[e]		396,494	7,101,207
Vornado Realty Trust[a,b]		701,930	58,154,900
WP Carey[a]		218,422	14,452,984
			136,303,920
HEALTH CARE	14.3%		
Aviv REIT[a]		349,604	8,841,485
Emeritus Corp.[a,e]		482,267	11,178,949
Health Care REIT[a,b]		988,500	66,259,155
Healthcare Trust of America, Class A		675,068	7,581,014
Ventas[a,b]		1,206,172	83,780,707
			177,641,310
HOTEL	8.0%		
Hersha Hospitality Trust[a]		2,730,028	15,397,358
Host Hotels & Resorts[a,b]		1,303,783	21,994,819
Hyatt Hotels Corp., Class A[a,b,e]		179,580	7,247,849
Pebblebrook Hotel Trust[a]		532,300	13,759,955
RLJ Lodging Trust		631,000	14,191,190
Strategic Hotels & Resorts Worldwide[a,e]		1,851,902	16,407,852
Sunstone Hotel Investors[e]		910,041	10,993,295
			99,992,318
INDUSTRIALS	7.1%		
DCT Industrial Trust[a]		721,315	5,157,402
First Industrial Realty Trust		392,600	5,955,742
Prologis[a,b]		2,002,268	75,525,549
STAG Industrial		100,484	2,004,656
			88,643,349

See accompanying notes to financial statements.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2013 (Unaudited)

		Number of Shares	Value
OFFICE	13.6%		
Alexandria Real Estate Equities[a]		296,300	$ 19,472,836
Boston Properties[a,b]		261,843	27,616,581
Corporate Office Properties Trust[a]		602,334	15,359,517
Douglas Emmett[a]		828,297	20,666,010
Highwoods Properties[a]		504,900	17,979,489
Hudson Pacific Properties[a]		798,234	16,986,420
Mack-Cali Realty Corp.		329,903	8,079,324
Parkway Properties		551,648	9,245,621
SL Green Realty Corp.[a,b]		380,488	33,555,237
			168,961,035
OFFICE/INDUSTRIAL	1.4%		
PS Business Parks		232,667	16,791,577
RESIDENTIAL	16.9%		
APARTMENT	15.0%		
Apartment Investment & Management Co.[a,b]		591,704	17,774,788
AvalonBay Communities[a,b]		136,572	18,424,929
Colonial Properties Trust[a]		966,400	23,309,568
Equity Residential[a,b]		1,265,002	73,446,016
Essex Property Trust[a]		107,500	17,083,900
Mid-America Apartment Communities		132,653	8,989,894
UDR[a,b]		1,100,765	28,058,500
			187,087,595
MANUFACTURED HOME	1.9%		
Sun Communities		300,136	14,934,767
TRI Pointe Homes[e]		492,869	8,171,768
			23,106,535
TOTAL RESIDENTIAL			210,194,130
SELF STORAGE	7.6%		
CubeSmart[a,b]		838,238	13,395,043
Extra Space Storage[a]		454,100	19,040,413
Public Storage[a,b]		295,121	45,250,903
Sovran Self Storage		263,791	17,091,019
			94,777,378

See accompanying notes to financial statements.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2013 (Unaudited)

		Number of Shares	Value
SHOPPING CENTERS	30.4%		
COMMUNITY CENTER	9.0%		
Cedar Realty Trust		694,211	$ 3,596,013
DDR Corp.[a,b]		1,364,341	22,716,278
Kimco Realty Corp.[a,b]		1,778,714	38,117,841
Ramco-Gershenson Properties Trust		675,829	10,495,624
Regency Centers Corp.[a,b]		449,929	22,860,893
Tanger Factory Outlet Centers		433,622	14,508,992
			112,295,641
FREE STANDING	3.6%		
National Retail Properties		392,800	13,512,320
Realty Income Corp.		735,435	30,829,435
			44,341,755
REGIONAL MALL	17.8%		
General Growth Properties[a,b]		1,425,414	28,322,976
Glimcher Realty Trust[a]		1,900,405	20,752,423
Simon Property Group[a,b]		979,844	154,736,964
Taubman Centers		224,924	16,903,039
			220,715,402
TOTAL SHOPPING CENTERS			377,352,798
SPECIALTY	1.2%		
Digital Realty Trust[a,b]		246,618	15,043,698
TOTAL COMMON STOCK (Identified cost $1,058,258,829)			1,385,701,513
PREFERRED SECURITIES $25 PAR VALUE	15.7%		
BANKS	0.6%		
Ally Financial, 7.25%, due 2/7/33		136,500	3,441,165
Huntington Bancshares, 8.50%, Series A ($1,000 Par Value) (Convertible)		3,000	3,660,030
			7,101,195
BANKS FOREIGN	0.3%		
Royal Bank of Scotland Group PLC, 6.40%, Series M (United Kingdom)		200,000	4,246,000

See accompanying notes to financial statements.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2013 (Unaudited)

		Number of Shares	Value
INSURANCE	0.9%		
MULTI-LINE	0.2%		
Hartford Financial Services Group, 7.875%, due 4/15/42		70,000	$ 2,063,600
MULTI-LINE FOREIGN	0.7%		
ING Groep N.V., 7.05% (Netherlands)[a,b]		205,000	5,096,300
ING Groep N.V., 7.375% (Netherlands)		139,904	3,494,802
			8,591,102
TOTAL INSURANCE			10,654,702
REAL ESTATE	13.9%		
DIVERSIFIED	5.3%		
CapLease, 8.375%, Series B[a]		45,936	1,159,884
Colony Financial, 8.50%, Series A[a]		315,000	8,186,850
Cousins Properties, 7.50%, Series B[a]		307,775	7,792,863
DuPont Fabros Technology, 7.875%, Series A[a]		200,000	5,130,000
DuPont Fabros Technology, 7.625%, Series B[a]		230,000	5,853,500
EPR Properties, 9.00%, Series E (Convertible)[a]		191,000	6,136,830
Forest City Enterprises, 7.375%, due 2/1/34[a]		580,000	14,859,600
Lexington Realty Trust, 6.50%, Series C ($50 Par Value)[a]		76,395	3,701,720
National Retail Properties, 5.70%		148,177	3,551,803
NorthStar Realty Finance Corp., 8.50%, Series D		168,900	4,188,720
Urstadt Biddle Properties, 7.125%, Series F		106,600	2,759,874
Winthrop Realty Trust, 7.75%, due 8/15/22		100,000	2,624,000
			65,945,644
HOTEL	3.2%		
Ashford Hospitality Trust, 9.00%, Series E[a]		405,000	10,667,700
		200,000	5,130,000

Chesapeake Lodging Trust, 7.75%, Series A[a]		
Hersha Hospitality Trust, 8.00%, Series B[a]	150,000	3,848,250
Hospitality Properties Trust, 7.125%, Series D	90,000	2,298,600
LaSalle Hotel Properties, 7.25%, Series G	122,162	3,034,504
Pebblebrook Hotel Trust, 7.875%, Series A[a]	220,000	5,684,800
Pebblebrook Hotel Trust, 6.50%, Series C	160,000	3,864,000
Sunstone Hotel Investors, 8.00%, Series D[a]	180,000	4,725,000
		39,252,854

See accompanying notes to financial statements.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2013 (Unaudited)

		Number of Shares	Value
INDUSTRIALS	0.8%		
First Potomac Realty Trust, 7.75%, Series A[a]		130,000	$ 3,429,400
Monmouth Real Estate Investment Corp., 7.63%, Series A[c]		200,000	5,110,000
Monmouth Real Estate Investment Corp., 7.875%, Series B[c]		80,000	2,064,800
			10,604,200
OFFICE	0.8%		
CommonWealth REIT, 6.50%, Series D (Convertible)[a]		173,800	4,006,090
Corporate Office Properties Trust, 7.375%, Series L[a]		160,000	4,104,000
Hudson Pacific Properties, 8.375%, Series B		90,000	2,380,500
			10,490,590
RESIDENTIAL	0.7%		
APARTMENT	0.4%		
Alexandria Real Estate Equities, 7.00%, Series D[a]		199,200	5,157,288
MANUFACTURED HOME	0.3%		
Equity Lifestyle Properties, 6.75%, Series C		115,994	2,991,485
TOTAL RESIDENTIAL			8,148,773
SHOPPING CENTERS	3.1%		
COMMUNITY CENTER	1.5%		
Cedar Realty Trust, 7.25%, Series B[a]		160,000	4,112,000
DDR Corp., 7.375%, Series H		76,284	1,914,728
DDR Corp., 6.50%, Series J[a]		340,000	8,207,600
Kite Realty Group Trust, 8.25%, Series A		140,000	3,605,000
Weingarten Realty Investors, 6.50%, Series F		53,571	1,345,168
			19,184,496

See accompanying notes to financial statements.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2013 (Unaudited)

		Number of Shares	Value
REGIONAL MALL	1.6%		
CBL & Associates Properties, 7.375%, Series D[a]		546,988	$ 13,838,797
Pennsylvania REIT, 8.25%, Series A		159,000	4,203,960
Simon Property Group, 8.375%, Series J ($50 Par Value)[c]		23,092	1,540,929
			19,583,686
TOTAL SHOPPING CENTERS			38,768,182
TOTAL REAL ESTATE			173,210,243
TOTAL PREFERRED SECURITIES $25 PAR VALUE (Identified cost $179,004,592)			195,212,140
PREFERRED SECURITIES CAPITAL SECURITIES	6.2%		
BANKS	1.3%		
Dresdner Funding Trust I, 8.151%, due 6/30/31, 144A[f]		8,500,000	8,574,375
Farm Credit Bank of Texas, 10.00%, Series I[a]		6,000	7,231,875
			15,806,250
BANKS FOREIGN	1.6%		
Banco Bilbao Vizcaya Argentaria SA, 9.00% (Spain)[d]		5,800,000	5,524,500
Barclays Bank PLC, 7.625%, due 11/21/22 (United Kingdom)		4,300,000	4,230,125
HBOS Capital Funding LP, 6.85% (United Kingdom)		5,200,000	4,769,700
RBS Capital Trust B, 6.80% (United Kingdom)		6,111,000	5,353,236
			19,877,561
INSURANCE	3.3%		
LIFE/HEALTH INSURANCE	0.3%		
Provident Financing Trust I, 7.405%, due 3/15/38		3,650,000	3,966,225
	1.2%		

LIFE/HEALTH INSURANCE FOREIGN		
La Mondiale Vie, 7.625% (France)[d]	7,250,000	7,440,313
Scottish Widows PLC, 7.00%, due 6/16/43 (United Kingdom)	5,000,000	7,424,652
		14,864,965

See accompanying notes to financial statements.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2013 (Unaudited)

		Number of Shares	Value
MULTI-LINE	0.4%		
American International Group, 8.175%, due 5/15/68, (FRN)[a]		4,000,000	$ 4,900,000
MULTI-LINE FOREIGN	0.3%		
AXA SA, 6.379%, 144A (France)[f]		4,000,000	3,910,000
PROPERTY CASUALTY	0.5%		
Liberty Mutual Group, 7.80%, due 3/15/37, 144A[a,f]		5,525,000	6,505,687
REINSURANCE FOREIGN	0.6%		
Catlin Insurance Co., 7.249%, 144A (Bermuda)[a,f]		6,640,000	6,839,200
TOTAL INSURANCE			40,986,077
TOTAL PREFERRED SECURITIES CAPITAL SECURITIES (Identified cost $72,242,009)			76,669,888
		Principal Amount	
CORPORATE BONDS REAL ESTATE	0.6%		
General Shopping Finance Ltd., 10.00%, 144A (Cayman Islands)[c,f]		$7,415,000	7,185,135
TOTAL CORPORATE BONDS (Identified cost $7,415,000)			7,185,135
		Number of Shares	
SHORT-TERM INVESTMENTS	1.2%		
MONEY MARKET FUNDS			
BlackRock Liquidity Funds: FedFund, 0.01%[g]		7,876,418	7,876,418
Federated Government Obligations Fund, 0.01%[g]		7,876,583	7,876,583
TOTAL SHORT-TERM INVESTMENTS (Identified cost $15,753,001)			15,753,001
TOTAL INVESTMENTS (Identified	135.2%		1,680,521,677

cost $1,332,673,431)		
LIABILITIES IN EXCESS OF OTHER ASSETS	(35.2)	(437,976,689)
NET ASSETS (Equivalent to $11.28 per share based on 110,192,324 shares of common stock outstanding)	100.0%	$1,242,544,988

See accompanying notes to financial statements.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2013 (Unaudited)

Glossary of Portfolio Abbreviations

EUR Euro Currency

FRN Floating Rate Note

REIT Real Estate Investment Trust

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

[a] All or a portion of the security is pledged as collateral in connection with the Fund's revolving credit agreement. $959,441,564 in aggregate has been pledged as collateral.

[b] A portion of the security has been rehypothecated in connection with the Fund's revolving credit agreement. $410,936,881 in aggregate has been rehypothecated.

[c] Illiquid security. Aggregate holdings equal 1.3% of the net assets of the Fund.

[d] Fair valued security. This security has been valued at its fair value as determined in good faith under procedures established by and under the general supervision of the Fund's Board of Directors. Aggregate fair valued securities represent 1.0% of the net assets of the Fund.

[e] Non-income producing security.

[f] Resale is restricted to qualified institutional investors. Aggregate holdings equal 2.7% of the net assets of the Fund, of which 0.6% are illiquid.

[g] Rate quoted represents the seven-day yield of the Fund.

See accompanying notes to financial statements.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES

June 30, 2013 (Unaudited)

ASSETS:	
Investments in securities, at value (Identified cost $1,332,673,431)	$1,680,521,677
Cash	33,973
Receivable for:	
Investment securities sold	17,356,846
Dividends and interest	7,053,651
Other assets	251,871
Total Assets	1,705,218,018
LIABILITIES:	
Payable for:	
Revolving credit agreement	460,000,000
Investment management fees	1,197,116
Investment securities purchased	1,135,832
Interest expense	94,720
Administration fees	28,167
Directors' fees	1,617
Other liabilities	215,578
Total Liabilities	462,673,030
NET ASSETS	$1,242,544,988
NET ASSETS consist of:	
Paid-in capital	$ 939,234,564
Dividends in excess of net investment income	(24,184,349)
Accumulated net realized loss	(20,261,165)
Net unrealized appreciation	347,755,938
	$1,242,544,988
NET ASSET VALUE PER COMMON SHARE:	
($1,242,544,988 ÷ 110,192,324 shares outstanding)	$ 11.28
MARKET PRICE PER COMMON SHARE	$ 11.23
MARKET PRICE DISCOUNT TO NET ASSET VALUE PER COMMON SHARE	(0.44)%

See accompanying notes to financial statements.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

STATEMENT OF OPERATIONS

For the Six Months Ended June 30, 2013 (Unaudited)

Investment Income:	
Dividend income (net of $2,759 of foreign withholding tax)	$ 21,591,153
Interest income (net of $7,540 of foreign withholding tax)	2,964,185
Rehypothecation income	38,969
Total Investment Income	24,594,307
Expenses:	
Investment management fees	7,410,272
Interest expense	4,287,863
Administration fees	299,106
Line of credit fees	196,586
Shareholder reporting expenses	139,616
Custodian fees and expenses	101,724
Professional fees	68,887
Directors' fees and expenses	36,701
Transfer agent fees and expenses	15,056
Registration and filing fees	4,930
Miscellaneous	80,783
Total Expenses	12,641,524
Net Investment Income	11,952,783
Net Realized and Unrealized Gain (Loss):	
Net realized gain (loss) on:	
Investments	101,351,719
Options	113,772
Foreign currency transactions	(1,414)
Net realized gain	101,464,077
Net change in unrealized appreciation (depreciation) on:	
Investments	(33,114,912)
Foreign currency translations	(383)
Net change in unrealized appreciation (depreciation)	(33,115,295)
Net realized and unrealized gain	68,348,782
Net Increase in Net Assets Resulting from Operations	$ 80,301,565

See accompanying notes to financial statements.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

	For the Six Months Ended June 30, 2013	For the Year Ended December 31, 2012
Change in Net Assets Applicable to Common Shares:		
From Operations:		
Net investment income	$ 11,952,783	$ 30,978,445
Net realized gain	101,464,077	89,777,921
Net change in unrealized appreciation (depreciation)	(33,115,295)	116,131,441
Net increase in net assets resulting from operations	80,301,565	236,887,807
Dividends and Distributions to Common Shareholders from:		
Net investment income	(39,635,572)	(23,026,059)
Net realized gain		(56,191,035)
Total dividends and distributions to common shareholders	(39,635,572)	(79,217,094)
Capital Stock Transactions:		
Increase in net assets from Fund share transactions	1,054,835	1,080,006
Total increase in net assets applicable to common shares	41,720,828	158,750,719
Net Assets Applicable to Common Shares:		
Beginning of period	1,200,824,160	1,042,073,441
End of period[a]	$ 1,242,544,988	$ 1,200,824,160

[a] Includes dividends in excess of net investment income and accumulated undistributed net investment income of $24,184,349 and $3,498,440, respectively.

See accompanying notes to financial statements.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

STATEMENT OF CASH FLOWS

For the Six Months Ended June 30, 2013 (Unaudited)

Decrease in Cash:	
Cash Flows from Operating Activities:	
Net increase in net assets resulting from operations	$ 80,301,565
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:	
Purchases of long-term investments	(581,860,858)
Net purchases, sales and maturities of short-term investments	15,848,600
Net amortization of premium	18,636
Proceeds from sales and maturities of long-term investments	592,519,057
Net decrease in dividends and interest receivable and other assets	950,592
Net decrease in interest expense payable, accrued expenses and other liabilities	(421,644)
Net change in unrealized depreciation on investments	33,114,912
Net realized gain on investments	(101,351,719)
Cash provided by operating activities	39,119,141
Cash Flows from Financing Activities:	
Increase in net assets from Fund share transactions	1,054,835
Distributions paid on common shares	(40,692,313)
Cash used for financing activities	(39,637,478)
Decrease in cash	(518,337)
Cash at beginning of period	552,310
Cash at end of period	$ 33,973

See accompanying notes to financial statements.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

FINANCIAL HIGHLIGHTS (Unaudited)

The following table includes selected data for a common share outstanding throughout each period and other performance information derived from the financial statements. It should be read in conjunction with the financial statements and notes thereto.

	For the Six Months Ended	For the Year Ended December 31,				
Per Share Operating Performance:	June 30, 2013	2012	2011	2010	2009	2008
Net asset value per common share, beginning of period	$ 10.91	$ 9.47	$ 9.56	$ 7.44	$ 5.38	$ 15.66
Income (loss) from investment operations:						
Net investment income	0.11[a]	0.28[a]	0.65	0.41	0.27	0.77
Net realized and unrealized gain (loss)	0.62	1.88	(0.02)	2.25	2.20	(8.92)
Total income (loss) from investment operations	0.73	2.16	0.63	2.66	2.47	(8.15)
Less dividends and distributions to preferred shareholders from:						
Net investment income					(0.00)[b]	(0.33)
Total dividends and distributions to preferred shareholders					(0.00)[b]	(0.33)
Total from investment operations	0.73	2.16	0.63	2.66	2.47	(8.48)

applicable to common shares						
Less dividends and distributions to common shareholders from:						
Net investment income	(0.36)	(0.21)	(0.65)	(0.39)	(0.26)	(0.34)
Net realized gain		(0.51)	(0.07)	(0.16)		
Tax return of capital					(0.15)	(1.46)
Total dividends and distributions to common shareholders	(0.36)	(0.72)	(0.72)	(0.55)	(0.41)	(1.80)
Anti-dilutive effect from the issuance of reinvested common shares	0.00[b]	0.00[b]				0.00[b]
Anti-dilutive effect from the purchase of common shares				0.01		
Net increase (decrease) in net asset value per common share	0.37	1.44	(0.09)	2.12	2.06	(10.28)
Net asset value, per common share, end of period	$ 11.28	$ 10.91	$ 9.47	$ 9.56	$ 7.44	$ 5.38
Market value, per	$ 11.23	$ 10.16	$ 8.47	$ 8.65	$ 6.07	$ 3.80

common share, end of period						
Total net asset value return[c]	6.69%[d]	23.32%	7.31%	37.80%	54.24%[e]	58.62%
Total market value return[c]	14.05%[d]	28.40%	6.07%	52.82%	77.83%	68.42%

See accompanying notes to financial statements.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

FINANCIAL HIGHLIGHTS (Unaudited) (Continued)

Ratios/Supplemental Data:	For the Six Months Ended June 30, 2013	For the Year Ended December 31, 2012	2011	2010	2009	2008
Net assets applicable to common shares, end of period (in millions)	$ 1,242.5	$1,200.8	$1,042.1	$1,051.8	$716.6	$ 210.9
Ratio of expenses to average daily net assets applicable to common shares (before expense reduction)[f]	1.96%[g]	1.80%				