

NUVEEN REAL ESTATE INCOME FUND  
Form N-Q  
November 29, 2012

**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: 9/30/2012

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**

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**Portfolio of Investments (Unaudited)**  
**Nuveen Real Estate Income Fund (JRS)**  
*September 30, 2012*

Shares	Description (1)		Value	
	<b>Real Estate Investment Trust Common Stocks - 80.7% (55.6% of Total Investments)</b>			
	<b>Diversified - 5.2%</b>			
295,800	Colonial Properties Trust		\$ 6,226,590	
118,650	Vornado Realty Trust		9,616,583	
	Total Diversified		15,843,173	
	<b>Hotels, Restaurants &amp; Leisure - 5.6%</b>			
697,975	Host Hotels & Resorts Inc.		11,202,499	
95,850	Starwood Hotels & Resorts Worldwide, Inc.		5,555,466	
	Total Hotels, Restaurants & Leisure		16,757,965	
	<b>Industrial - 4.9%</b>			
420,207	Prologis Inc.		14,719,851	
	<b>Office - 11.1%</b>			
453,450	BioMed Realty Trust Inc.		8,488,584	
96,660	Boston Properties, Inc.		10,691,563	
280,960	Mack-Cali Realty Corporation		7,473,536	
85,640	SL Green Realty Corporation		6,857,195	
	Total Office		33,510,878	
	<b>Residential - 16.0%</b>			
341,600	Apartment Investment & Management Company, Class A		8,878,184	
109,448	AvalonBay Communities, Inc.		14,883,834	
296,560	Equity Residential		17,061,097	
294,100	UDR Inc.		7,299,562	
	Total Residential		48,122,677	
	<b>Retail - 19.0%</b>			
32,070	Federal Realty Investment Trust		3,376,971	
308,379	General Growth Properties Inc.		6,007,223	
257,300	Kimco Realty Corporation		5,215,471	
213,107	Macerich Company		12,196,114	
115,320	Regency Centers Corporation		5,619,544	
162,959	Simon Property Group, Inc.		24,738,802	
	Total Retail		57,154,125	
	<b>Specialized - 18.9%</b>			
125,360	Extra Space Storage Inc.		4,168,220	
317,720	HCP Inc.		14,132,186	
198,070	Health Care REIT, Inc.		11,438,543	
116,607	Public Storage, Inc., (2)		16,228,196	
175,710	Ventas Inc.		10,937,948	
	Total Specialized		56,905,093	
	<b>Total Real Estate Investment Trust Common Stocks (cost \$169,558,329)</b>		<b>243,013,762</b>	
Shares	Description (1)	Coupon	Ratings (3)	Value
	<b>Convertible Preferred Securities - 11.9% (8.2% of Total Investments)</b>			
	<b>Office - 5.6%</b>			
714,856	CommonWealth REIT	6.500%	Baa3	\$16,791,967
	<b>Specialized - 6.3%</b>			
346,000	Health Care REIT	6.500%	Baa3	19,071,520
	<b>Total Convertible Preferred Securities (cost \$33,288,770)</b>			<b>35,863,487</b>
Shares	Description (1)	Coupon		Value
	<b>Real Estate Investment Trust Preferred Stocks - 42.4% (29.3% of Total Investments)</b>			
	<b>Diversified - 4.9%</b>			
40,000	Duke Realty Corporation, Series O	8.375%		\$1,027,200
335,978	Lexington Realty Trust	7.550%		8,466,646
111,000	PS Business Parks, Inc.	6.450%		2,977,020
87,664	Vornado Realty Trust	6.875%		2,423,033
	Total Diversified			14,893,899
	<b>Industrial - 1.0%</b>			

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114,700	Terreno Realty Corporation	7.750%	2,994,817
	<b>Office - 14.8%</b>		
144,550	CommonWealth REIT	7.250%	3,766,973
	Highwoods Properties, Inc.,		
12,141	Series A, (7)	8.625%	14,645,081
293,000	Hudson Pacific Properties Inc.	8.375%	7,688,320
314,000	Parkway Properties, Inc.	8.000%	7,865,700
419,703	SL Green Realty Corporation, (2)	7.625%	10,509,363
	Total Office		44,475,437
	<b>Retail - 14.8%</b>		
	CBL & Associates Properties Inc.,		
37,842	Series C	7.750%	949,077
	CBL & Associates Properties Inc.,		
694,000	Series D	7.375%	17,572,081
61,638	Glimcher Realty Trust, Series G	8.125%	1,549,579
158,000	Inland Real Estate Corporation	8.250%	4,182,260
339,725	Kimco Realty Corporation,	7.750%	8,639,207
175,000	Regency Centers Corporation	6.625%	4,681,250
152,800	Saul Centers, Inc.	8.000%	3,942,240
58,304	Weingarten Realty Trust	6.500%	1,473,342
60,000	Weingarten Realty Trust	6.750%	1,518,000
	Total Retail		44,507,036
	<b>Specialized - 6.9%</b>		
103,300	Hersha Hospitality Trust, Series A	8.000%	2,632,084
	Hospitality Properties Trust,		
344,191	Series C	7.000%	8,783,754
50,000	Public Storage, Inc.	5.900%	1,327,000
50,000	Public Storage, Inc.	6.500%	1,369,500
	Sunstone Hotel Investors Inc.,		
271,452	Series A	8.000%	6,813,445
	Total Specialized		20,925,783
	<b>Total Real Estate Investment Trust Preferred Stocks (cost \$120,712,140)</b>		<b>127,796,972</b>

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (3)	Value
	<b>Convertible Bonds - 3.1% (2.1% of Total Investments)</b>				
	<b>Office - 3.1%</b>				
\$ 9,162	Corporate Office Properties LP, Convertible Bond, 144A	4.250%	4/15/30	N/R	\$ 9,219,263
	<b>Total Convertible Bonds (cost \$8,607,667)</b>				<b>9,219,263</b>

Principal Amount (000)	Description (1)	Coupon	Maturity	Value
	<b>Short-Term Investments - 7.0% (4.8% of Total Investments)</b>			
\$ 20,975	Repurchase Agreement with Fixed Income Clearing Corporation, dated 9/28/12, repurchase price \$20,974,534, collateralized by \$15,740,000 U.S. Treasury Bonds, 4.500%, due 8/15/39, value \$21,400,088	0.010%	10/01/2012	\$ 20,974,517
	<b>Total Short-Term Investments (cost \$20,974,517)</b>			<b>20,974,517</b>
	<b>Total Investments (cost \$353,141,423) - 145.1%</b>			<b>436,868,001</b>
	<b>Borrowings - (40.8)% (4), (5)</b>			<b>(123,000,000)</b>
	<b>Other Assets Less Liabilities - (4.3)% (6)</b>			<b>(12,723,754)</b>
	<b>Net Assets Applicable to Common Shares - 100%</b>			<b>\$ 301,144,247</b>

Investments in Derivatives at September 30, 2012

Interest Rate Swaps outstanding:

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Counterparty	Notional	Fund Pay/Receive	Floating Rate	Fixed	Fixed Rate Payment	Termination	Unrealized Appreciation (Depreciation)
	Amount	Floating Rate	Index	Rate*	Frequency	Date	(6)
JPMorgan	20,727,500	Receive	1-Month USD-LIBOR	1.412%	Monthly	3/29/14	\$ (370,007)
Morgan Stanley	20,727,500	Receive	1-Month USD-LIBOR	2.323	Monthly	3/29/16	(1,383,445)
							\$(1,753,452)

\* Annualized.

### Fair Value Measurements

Fair value is defined as the price that the Fund would receive upon selling an investment or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. A three-tier hierarchy is used to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The following is a summary of the three-tiered hierarchy of valuation input levels.

Level 1 - Inputs are unadjusted and prices are determined using quoted prices in active markets for identical securities.

Level 2 - Prices are determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 - Prices are determined using significant unobservable inputs (including management's assumptions in determining the fair value of investments).

The inputs or methodologies used for valuing securities are not an indication of the risks associated with investing in those securities. The following is a summary of the Fund's fair value measurements as of the end of the reporting period:

	Level 1	Level 2	Level 3	Total
Long-Term Investments*:				
Real Estate Investment Trust Common Stocks	\$243,013,762	\$	\$	\$243,013,762
Convertible Preferred Securities	35,863,487			35,863,487
Real Estate Investment Trust Preferred Stocks	113,151,891	14,645,081		127,796,972
Convertible Bonds		9,219,263		9,219,263
Short-Term Investments:				
Repurchase Agreements		20,974,517		20,974,517
Derivatives:				
Interest Rate Swaps**		(1,753,452)		(1,753,452)
Total	\$392,029,140	\$43,085,409	\$	\$435,114,549

\* Refer to the Fund's Portfolio of Investments for industry classifications and breakdown of Real Estate Investment Trust Preferred Stocks classified as Level 2.

\*\* Represents net unrealized appreciation (depreciation) as reported in the Fund's Portfolio of Investments.

The Nuveen funds' Board of Directors/Trustees is responsible for the valuation process and has delegated the oversight of the daily valuation process to the Adviser's Valuation Committee. The Valuation Committee, pursuant to the valuation policies and procedures adopted by the Board of Directors/Trustees, is responsible for making fair value determinations, evaluating the effectiveness of the funds' pricing policies, and reporting to the Board of Directors/Trustees. The Valuation Committee is aided in its efforts by the Adviser's dedicated Securities Valuation Team, which is responsible for administering the daily valuation process and applying fair value methodologies as approved by the Valuation Committee. When determining the reliability of independent pricing services for investments owned by the funds, the Valuation Committee, among other things, conducts due diligence reviews of the pricing services and monitors the quality of security prices received through various testing reports conducted by the Securities Valuation Team.

The Valuation Committee will consider pricing methodologies it deems relevant and appropriate when making fair value determinations. Examples of possible methodologies include, but are not limited to, multiple of earnings; discount from market of a similar freely traded security; discounted cash-flow analysis; book value or a multiple thereof; risk premium/yield analysis; yield to maturity; and/or fundamental investment analysis. The Valuation Committee will also consider factors it deems relevant and appropriate in light of the facts and circumstances. Examples of possible factors include, but are not limited to, the type of security;

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the issuer's financial statements; the purchase price of the security; the discount from market value of unrestricted securities of the same class at the time of purchase; analysts' research and observations from financial institutions; information regarding any transactions or offers with respect to the security; the existence of merger proposals or tender offers affecting the security; the price and extent of public trading in similar securities of the issuer or comparable companies; and the existence of a shelf registration for restricted securities.

For each portfolio security that has been fair valued pursuant to the policies adopted by the Board of Directors/Trustees, the fair value price is compared against the last available and next available market quotations. The Valuation Committee reviews the results of such testing and fair valuation occurrences are reported to the Board of Directors/Trustees.

### Derivative Instruments and Hedging Activities

The Fund records derivative instruments at fair value, with changes in fair value recognized on the Statement of Operations, when applicable. Even though the Fund's investments in derivatives may represent economic hedges, they are not considered to be hedge transactions for financial reporting purposes.

The following table presents the fair value of all derivative instruments held by the Fund as of September 30, 2012, the location of these instruments on the Statement of Assets and Liabilities, and the primary underlying risk exposure.

Underlying Risk Exposure	Derivative Instrument	Location	Location on the Statement of Assets and Liabilities	
			Asset Derivatives	Liability Derivatives
			Value	Value
Interest Rate	Swaps		\$	Unrealized depreciation on interest rate swaps \$ (1,753,452)

### 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 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 September 30, 2012, the cost of investments (excluding investments in derivatives) was \$356,581,879.

Gross unrealized appreciation and gross unrealized depreciation of investments (excluding investments in derivatives) at September 30, 2012, were as follows:

Gross unrealized:	
Appreciation	\$ 84,032,474
Depreciation	(3,746,352)
Net unrealized appreciation (depreciation) of investments	\$ 80,286,122

For Fund portfolio compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications into sectors for reporting ease.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2)

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- Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in derivatives.
- (3) Ratings: Using the highest of Standard & Poor's Group ( Standard & Poor's ), Moody's Investors Service, Inc. ( Moody's ) or Fitch, Inc. ( Fitch ) rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
  - (4) Borrowings as a percentage of Total Investments is 28.2%.
  - (5) The Fund may pledge up to 100% of its eligible investments in the Portfolio of Investments as collateral for Borrowings. As of September 30, 2012 investments with a value of \$248,803,530 have been pledged as collateral for Borrowings.
  - (6) Other Assets Less Liabilities includes the Unrealized Appreciation (Depreciation) of derivative instruments as noted within Investments in Derivatives at September 30, 2012.
  - (7) For fair value measurement disclosure purposes, Real Estate Investment Trust Preferred Stocks categorized as Level 2.
- N/R Not rated.
- 144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration, which are normally those transactions with qualified institutional buyers.
- USD-LIBOR United States Dollar-London Inter-Bank Offered Rate.
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**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.

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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.

(Registrant) Nuveen Real Estate Income Fund

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

Date: November 29, 2012

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: November 29, 2012

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

Date: November 29, 2012