COHEN & STEERS QUALITY INCOME REALTY FUND INC
Form N-14 8C
June 30, 2009

Securities Act Registration No. 333-

Investment Company Registration No. 811-10481

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-14

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

¨ **Pre-Effective Amendment No.**

¨ **Post-Effective Amendment No.**

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

(Exact Name of Registrant as Specified in Charter)

280 Park Avenue

New York, New York 10017

(Address of Principal Executive Offices)

212-832-3232

(Registrant s Telephone Number, including Area Code)

Tina M. Payne, Esq.

Cohen & Steers, Inc.

280 Park Avenue

New York, New York 10017

(Name and Address of Agent for Service)

With Copies to:

Janna Manes, Esq.

Stroock & Stroock & Lavan LLP

180 Maiden Lane

New York, New York 10038

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT

Title of Securities Being Registered	Amount Being Registered*	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Shares, $.001 par value	74,852,248 shares	$4.13	$309,139,784.24	$17,250

* Estimated solely for the purpose of calculating the registration fee. Based on the Registrant s net asset value per share at the close of business on June 26, 2009.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

COHEN & STEERS ADVANTAGE INCOME REALTY FUND, INC.

COHEN & STEERS PREMIUM INCOME REALTY FUND, INC.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

COHEN & STEERS WORLDWIDE REALTY INCOME FUND, INC.

280 Park Avenue

New York, New York 10017

Special Joint Meeting of Stockholders to be held October 22, 2009

August , 2009

Dear Stockholder:

You are being asked to vote on a proposed transaction related to Cohen & Steers Advantage Income Realty Fund, Inc. (RLF), Cohen & Steers Premium Income Realty Fund, Inc. (RPF), Cohen & Steers Worldwide Realty Income Fund, Inc. (RWF and, collectively with RLF and RPF, the Acquired Funds and each an Acquired Fund) and Cohen & Steers Quality Income Realty Fund, Inc. (RQI and, collectively with the Acquired Funds, the Funds and each a Fund). Detailed information about the proposed transaction is contained in the enclosed materials.

The Boards of Directors of the Funds (the Boards) have called a special joint meeting of stockholders (the Meeting) for the Funds to be held on October 22, 2009, at InterContinental The Barclay New York, 111 East 48th Street, North Parlor Rooms I and II, New York, New York 10017 at 10:00 a.m., Eastern time in order to vote on matters described in the attached Combined Proxy Statement/Prospectus, including a proposal to merge each Acquired Fund with and into RQI in accordance with the Maryland General Corporation Law (the Mergers and each, a Merger).

As a result of the Mergers, each full (and fractional) share of common stock of the Acquired Funds would convert into an equivalent dollar amount (to the nearest $0.001) of full (and fractional) shares of common stock of RQI, based on the net asset value of each Fund. The currently issued and outstanding shares of common stock of RQI will remain issued and outstanding.

Each Fund is a closed-end, non-diversified management investment company with common stock listed on the New York Stock Exchange. The Funds have substantially similar investment objectives and substantially similar (similar, for RWF) investment policies. Each Fund focuses its investments in real estate companies and is managed by Cohen & Steers Capital Management, Inc.

The Boards believe that combining the Funds could benefit stockholders of each Fund by providing the potential for portfolio management efficiencies, a lower operating expense ratio and enhanced market liquidity for RQI s shares of common stock. The stockholders of RLF, RPF and RWF will vote separately on the Merger involving their Fund. The stockholders of RQI will vote separately on each Merger. **The Boards recommend that you vote FOR the proposed Merger involving your Fund.**

Stockholders of RQI also are being asked to approve an amendment to RQI s charter to increase the number of shares of RQI s authorized common stock, which would allow RQI to issue its shares of common stock to the Acquired Funds stockholders to consummate the Mergers. **The Board of RQI recommends that the stockholders of RQI vote FOR this amendment to RQI s charter.**

In addition, stockholders of RQI also are being asked to approve certain changes to the fundamental investment policies of RQI to convert certain fundamental investment restrictions, including limits on the Fund s ability to invest in (i) debt securities issued or guaranteed by real estate companies, (ii) preferred stock or debt securities rated below investment grade or unrated securities of comparable quality and (iii) other investment companies pursuant to the requirements of the Investment Company Act of 1940, as amended, to non-fundamental investment restrictions. **The Board of RQI recommends that the stockholders of RQI vote FOR each change to the fundamental investment policies of RQI.**

Your vote is very important to us regardless of the number of shares you own. Whether or not you plan to attend the Meeting in person, please read the Combined Proxy Statement/Prospectus and cast your vote promptly. To vote, simply date, sign and return the proxy card in the enclosed postage-paid envelope or follow the instructions on the proxy card for voting by touch-tone telephone or on the Internet.

It is important that your vote be received no later than the time of the Meeting.

Sincerely,

[Chairmen/President]

[Title] of the Funds

COHEN & STEERS ADVANTAGE INCOME REALTY FUND, INC.

COHEN & STEERS PREMIUM INCOME REALTY FUND, INC.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

COHEN & STEERS WORLDWIDE REALTY INCOME FUND, INC.

IMPORTANT NEWS FOR STOCKHOLDERS

The enclosed Combined Proxy Statement/Prospectus (the Proxy/Prospectus) describes a proposal to merge Cohen & Steers Advantage Income Realty Fund, Inc. (RLF), Cohen & Steers Premium Income Realty Fund, Inc. (RPF), Cohen & Steers Worldwide Realty Income Fund, Inc. (RWF and, collectively with RLF and RPF, the Acquired Funds and each an Acquired Fund) with and into Cohen & Steers Quality Income Realty Fund, Inc. (RQI and, collectively with the Acquired Funds, the Funds and each a Fund), in accordance with the Maryland General Corporation Law (the Mergers), plus a related proposal relating to an amendment to RQI s Charter to authorize RQI s Board of Directors to approve an increase in RQI s common stock to increase the number of shares of RQI s authorized common stock, which would allow RQI to issue its shares of common stock to the Acquired Funds stockholders to consummate the Mergers. In addition, RQI s stockholders are being asked to vote on amendments to certain fundamental investment policies of RQI.

While we encourage you to read the full text of the enclosed Proxy/Prospectus, the following is a brief overview of the proposed Mergers. Please refer to the more complete information contained elsewhere in the Proxy/Prospectus about the Mergers.

COMMON QUESTIONS YOU MAY HAVE ABOUT THE PROPOSED MERGERS

Q. WHAT IS HAPPENING?

A. The Board of Directors of each Fund (the Board and collectively, the Boards) has approved a merger, subject to approval by the Fund s stockholders, in which each Acquired Fund would merge with and into RQI in accordance with the Maryland General Corporation Law. If the Funds stockholders approve the Mergers, stockholders of the Acquired Funds would become stockholders of RQI.

The stockholders of RLF, RPF and RWF will vote separately on the Merger involving their Fund. The stockholders of RQI will vote separately on each Merger. If approved by the relevant Funds stockholders, the consummation of the Mergers of each of RLF and RPF with and into RQI are not conditioned on the approval of the stockholders of any other Acquired Fund. However, the consummation of the Merger of RWF with and into RQI is conditioned on the approval of the Merger of either RLF or RPF with and into RQI.

Q. WHAT OTHER MATTERS ARE BEING VOTED ON?

A. In a separate vote, stockholders of RQI are being asked to vote on an amendment to RQI s charter to increase the number of shares of RQI s authorized common stock. This proposed charter amendment would allow RQI to issue its shares of common stock to the Acquired Funds stockholders to consummate all of the Mergers. If this proposal is not approved, but the proposals approving the Mergers are approved, all of the Mergers will not be consummated because RQI will not have sufficient authorized but unissued capital stock to issue to the Acquired Funds stockholders. In addition, stockholders of RQI are being asked to vote on amendments to certain fundamental investment policies of RQI.

Q. HOW WILL THE MERGERS AFFECT ME?

A. For each Merger, if approved, the relevant Acquired Fund will be merged with and into RQI in accordance with the Maryland General Corporation Law. The Acquired Fund s assets and liabilities will be combined with the assets and liabilities of RQI, and stockholders of the Acquired Fund will become stockholders of RQI. As a result of the Mergers, each full (and fractional) share of common stock of the Acquired Funds would convert into an equivalent dollar amount (to the nearest $0.001) of full (and fractional) shares of common stock of RQI, based on the net asset value of each Fund. The currently issued and outstanding shares of common stock of RQI will remain issued and outstanding.

Q. WHAT HAPPENS IF THE MERGERS ARE NOT APPROVED?

A. As noted above, a Merger will not be consummated unless that Merger is approved by the stockholders of RQI and the relevant Acquired Fund. The Mergers of RLF and RPF with and into RQI are not conditioned on the approval of any other Merger. However, if the Merger of RLF or RPF is not approved by the relevant Funds stockholders, then the Merger of RWF into RQI also will not be consummated, notwithstanding approval by the stockholders of RWF and RQI. If a Merger is not approved, the affected Acquired Fund will continue as a separate investment company, and the Board of that Acquired Fund will separately consider such alternatives as it determines to be in the best interests of stockholders, including re-proposing the Merger.

Q. WHY ARE THE MERGERS BEING RECOMMENDED?

A. The Boards believe that combining the Funds could benefit stockholders of each Fund by providing the potential for portfolio management efficiencies, a lower operating expense ratio and enhanced market liquidity for RQI s shares of common stock.

Q. ARE THE FUNDS INVESTMENT OBJECTIVES AND POLICIES SIMILAR?

A. The Funds have substantially similar investment objectives and substantially similar (similar, for RWF) investment policies. Each Fund focuses its investments in real estate companies and is managed by Cohen & Steers Capital Management, Inc. (the Investment Manager).

Q. HOW WILL THE MERGERS AFFECT FUND FEES AND EXPENSES?

A. The total expense ratio of the combined Fund after the Mergers is expected to be lower than the current total expense ratio of each Fund, because the fixed expenses of the combined Fund following the Mergers will be spread over a larger asset base. The Board of each Fund believes that administrative expenses of a larger combined Fund comprised of the assets of one or more of the Acquired Funds combined with RQI would be less than the aggregate current expenses of the Funds operating separately, resulting in a lower total expense ratio for the combined Fund.

Under each Fund s investment advisory agreement, RLF, RPF, RWF and RQI pay the Investment Manager an investment advisory fee at an annual rate of 0.85%, 0.80%, 0.95% and 0.85%, respectively, of the Fund s average daily managed assets. Following the Mergers, RQI s management fee will stay the same.

Q. WILL I HAVE TO PAY ANY U.S. FEDERAL INCOME TAXES AS A RESULT OF THE MERGERS?

A. Each Merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Assuming that the Merger of your Fund qualifies for such treatment, you will not recognize a gain or loss for federal income tax purposes as a result of the Merger. As a condition to the closing of each Merger, the relevant Funds will each receive an opinion of counsel to the effect that the Merger will qualify for such treatment. Opinions of counsel are not binding on the Internal Revenue Service or the courts. You should talk to your tax advisor about any state, local and other tax consequences of the Merger of your Fund. See Proposal 1 Information About the Proposed Mergers Material U.S. Federal Income Tax Consequences.

Q. WHO WILL PAY THE EXPENSES OF THE MERGERS?

A. The expenses incurred in the Merger will be paid by each Fund in proportion to its net assets.

Q. HOW DOES THE BOARD RECOMMEND THAT I VOTE ON THE PROPOSALS?

A. The Board of each Fund, including the Directors who are not interested persons (as defined in the Investment Company Act of 1940, as amended) of the Funds, recommends that you vote **FOR** the Merger with respect to your Fund.

In addition, the Board of RQI recommends that stockholders of RQI vote **FOR** the amendment to RQI s charter to increase the number of shares of RQI s authorized common stock, which would allow RQI to issue its shares of common stock to the Acquired Funds stockholders to consummate all of the Mergers. As noted above, if RQI s stockholders do not approve this proposal, the Mergers will not proceed, even if stockholders of the Funds approve the Mergers, because RQI will not have sufficient authorized but unissued capital stock to issue to the Acquired Funds stockholders to consummate all of the Mergers.

The Board of RQI also recommends that stockholders of RQI vote **FOR** the conversion of certain of RQI s investment policies from fundamental to non-fundamental policies. The conversions will not result in changes to the Fund s investment strategies, but will provide the Investment Manager with additional portfolio management flexibility in the future.

Q. WHEN ARE THE MERGERS EXPECTED TO HAPPEN?

A. Each Merger, if approved by the relevant Funds stockholders, is expected to occur on or about December 11, 2009, but in any case before December 31, 2009. If all of the Mergers are approved, it is expected that they will occur on or about the same date.

Q. WHO CAN VOTE ON THE PROPOSALS?

A. If you owned shares of one or more of the Funds at the close of business on July 30, 2009, you are entitled to vote those shares, even if you are no longer a common stockholder of your Fund. The Fund of which you are a stockholder is named on the proxy card included with the Proxy/Prospectus. If you owned shares in more than one Fund as of July 30, 2009, you may receive more than one proxy card. You may only vote on the proposals involving your Fund(s).

Q. I AM AN INVESTOR WHO HOLDS A SMALL NUMBER OF SHARES. WHY SHOULD I VOTE?

A. Your vote makes a difference. If many stockholders just like you do not vote their proxies, the Funds may not receive enough votes to go forward with the Meeting.

Q. HOW CAN I VOTE?

A. In addition to voting by mail by returning the enclosed proxy card(s), you may also authorize your vote by either touch-tone telephone or online via the Internet, as follows:

To vote by touch-tone telephone:	To vote by Internet:
(1) Read the Proxy/Prospectus and have your proxy card at hand.	(1) Read the Proxy/Prospectus and have your proxy card at hand.
(2) Call the toll-free number that appears on your proxy card.	(2) Go to the website that appears on your proxy card.
(3) Enter the control number set out on the proxy card and follow the simple instructions.	(3) Enter the control number set out on the proxy card and follow the simple instructions.

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Q. WHOM DO I CALL IF I HAVE QUESTIONS?

A. If you need more information or have any questions on how to cast your vote, please call [ ], the Funds proxy solicitor, at [ ].

YOUR VOTE IS IMPORTANT. PLEASE VOTE PROMPTLY TO AVOID THE EXPENSE OF

ADDITIONAL SOLICITATION.

COHEN & STEERS ADVANTAGE INCOME REALTY FUND, INC.

COHEN & STEERS PREMIUM INCOME REALTY FUND, INC.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

COHEN & STEERS WORLDWIDE REALTY INCOME FUND, INC.

NOTICE OF SPECIAL JOINT MEETING OF STOCKHOLDERS

To Be Held on October 22, 2009

Please take notice that a Special Joint Meeting of Stockholders (the Meeting) of each of the above-referenced Funds (the Funds), will be held on October 22, 2009 at InterContinental The Barclay New York, 111 East 48th Street, North Parlor Rooms I and II, New York, New York 10017 at 10:00 a.m., Eastern time, for the following purposes:

PROPOSAL 1: To approve the merger of Cohen & Steers Advantage Income Realty Fund, Inc. (RLF), Cohen & Steers Premium Income Realty Fund, Inc. (RPF) and Cohen & Steers Worldwide Realty Income Fund, Inc. (RWF and, collectively with RLF and RPF, the Acquired Funds) with and into Cohen & Steers Quality Income Realty Fund, Inc. (RQI and, collectively with the Acquired Funds, the Funds and each a Fund) in accordance with the Maryland General Corporation Law *(stockholders of each Fund voting with respect to their Fund)*;

PROPOSAL 2: To approve an amendment to RQI s charter to increase the number of authorized shares of RQI s capital stock *(RQI stockholders voting)*; and

PROPOSAL 3: To approve the following fundamental policy changes for RQI:

A. Changing from fundamental to non-fundamental the Fund s investment restriction prohibiting the Fund from investing more than 10% of its managed assets in debt securities issued or guaranteed by real estate companies;

B. Changing from fundamental to non-fundamental the Fund s investment restriction prohibiting the Fund from investing more than 20% of its managed assets in preferred stock or debt securities rated below investment grade or unrated securities of comparable quality; and

C. Changing from fundamental to non-fundamental the Fund s investment restriction prohibiting the Fund from acquiring or retaining securities of any investment company, except up to the limits permitted by 12(d)(1) or any exemption or acquired as part of a merger.

(RQI stockholders voting on each of Proposals 3A-3C separately)

The appointed proxies will vote in their discretion on any other business as may properly come before the Meeting or any adjournments or postponements thereof.

Stockholders of the Funds of record at the close of business on July 30, 2009 are entitled to vote at the Meeting and at any adjournments or postponements thereof.

By order of the Boards of Directors,

Francis C. Poli
Secretary of the Funds

August , 2009

YOUR VOTE IS IMPORTANT

We invite you to utilize the convenience of Internet voting at the site indicated on the enclosed proxy card(s). While at that site you will be able to enroll in our electronic delivery program which will insure that you receive future mailings relating to annual meetings as quickly as possible and will help the Fund(s) save costs. Or you may indicate your voting instructions on the enclosed proxy card, sign and date it, and return it in the envelope provided, which needs no postage if mailed in the United States. In order to save the Fund(s) any additional expense of further solicitation, please vote your proxy promptly.

PROXY STATEMENT/PROSPECTUS

August , 2009

PROXY STATEMENT FOR:

COHEN & STEERS ADVANTAGE INCOME REALTY FUND, INC.

COHEN & STEERS PREMIUM INCOME REALTY FUND, INC.

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

COHEN & STEERS WORLDWIDE REALTY INCOME FUND, INC.

PROSPECTUS FOR:

COHEN & STEERS QUALITY INCOME REALTY FUND, INC.

280 Park Avenue

New York, New York 10017

(212) 832-3232

This combined Proxy Statement and Prospectus (the Proxy/Prospectus) is being furnished in connection with the solicitation of proxies by the Boards of Directors (each, a Board, and collectively, the Boards) of Cohen & Steers Advantage Income Realty Fund, Inc. (RLF), Cohen & Steers Premium Income Realty Fund, Inc. (RPF), Cohen & Steers Worldwide Realty Income Fund, Inc. (RWF and, collectively with RLF and RPF, the Acquired Funds and each an Acquired Fund) and Cohen & Steers Quality Income Realty Fund, Inc. (RQI and, collectively with the Acquired Funds, the Funds and each a Fund) for a Joint Special Meeting of Stockholders of each Fund (the Meeting). The Meeting will be held on October 22, 2009 at InterContinental The Barclay New York, 111 East 48th Street, North Parlor Rooms I and II, New York, New York 10017 at 10:00 a.m., Eastern time. At the Meeting, stockholders of the Funds will be asked to consider and act upon the following:

PROPOSAL 1: To approve the merger of RLF, RPF and RWF with and into RQI in accordance with the Maryland General Corporation Law (MGCL) *(stockholders of each Fund voting with respect to their Fund)*;

PROPOSAL 2: To approve an amendment to RQI s charter to increase the number of authorized shares of RQI s capital stock *(RQI stockholders voting)*; and

PROPOSAL 3: To approve the following fundamental policy changes for RQI:

A. Changing from fundamental to non-fundamental the Fund s investment restriction prohibiting the Fund from investing more than 10% of its managed assets in debt securities issued or guaranteed by real estate companies;

B. Changing from fundamental to non-fundamental the Fund s investment restriction prohibiting the Fund from investing more than 20% of its managed assets in preferred stock or debt securities rated below investment grade or unrated securities of comparable quality; and

C. Changing from fundamental to non-fundamental the Fund s investment restriction prohibiting the Fund from acquiring or retaining securities of any investment company, except up to the limits permitted by 12(d)(1) or any exemption or acquired as part of a merger.

(RQI stockholders voting on each of Proposals 3A-3C separately)

If Proposals 1 and 2 are approved, as a result of the Mergers, each full (and fractional) share of common stock, par value $0.001 per share, of each Acquired Fund would convert into an equivalent dollar amount (to the nearest $0.001) of full (and fractional) shares of common stock, par value $0.001 per share (Acquired Fund Common Shares), of RQI (RQI Common Shares), based on the net asset value of each Fund. Although RQI Common Shares received in the Mergers will have the same total net asset value as Acquired Fund Common Shares held immediately before each Merger, their stock price on the New York Stock Exchange (NYSE) may be greater or less than the stock prices of Acquired Fund Common Shares, based on current market prices at the time of the Mergers. All RQI Common Shares currently issued and outstanding will remain issued and outstanding following the Mergers.

With respect to Proposal 1, a Merger will not be consummated unless that Merger is approved by the stockholders of RQI and the relevant Acquired Fund. The Mergers of RLF and RPF with and into RQI are not conditioned on the approval of any other Merger. However, if the Merger of RLF or RPF is not approved by the relevant Funds stockholders, then the Merger of RWF into RQI also will not be consummated, notwithstanding approval by the stockholders of RWF and RQI. If stockholders of RQI approve the Mergers, but stockholders of an Acquired Fund do not approve the Merger for their Fund, that Merger will not proceed and the Acquired Fund will continue in operation as a separate investment company, and the Board of that Acquired Fund will separately consider such alternatives as it determines to be in the best interests of stockholders, including re-proposing the Merger. Stockholders of RQI must approve both Proposals 1 and 2 in order for <u>all</u> of the Mergers to proceed.

The Boards believe that combining the Funds could benefit stockholders of each Fund by providing the potential for portfolio management efficiencies, a lower operating expense ratio and enhanced market liquidity for RQI s shares of common stock.

Stockholders of RQI also are being asked to approve an amendment to RQI s charter that would increase the number of shares of the Fund s authorized common stock from 100 million to 300 million. If Proposal 2 is not approved by RQI s stockholders, all of the Mergers will not proceed, even if the Funds stockholders approve Proposal 1, because RQI will not have sufficient authorized but unissued capital stock to issue to the Acquired Funds stockholders to consummate all of the Mergers.

In addition, stockholders of RQI also are being asked to approve certain changes to the fundamental investment policies of RQI to change from fundamental to non-fundamental certain investment restrictions, including limits on the Fund s ability to invest in (i) debt securities issued or guaranteed by real estate companies, (ii) preferred stock or debt securities rated below investment grade or unrated securities of comparable quality and (iii) other investment companies pursuant to the requirements of the Investment Company Act of 1940, as amended (the 1940 Act). The enhancements will not result in changes to RQI s investment strategies, but will provide the Investment Manager with additional portfolio management flexibility in the future. Proposals 3A-3C are not conditioned on the approval of either Proposal 1 or 2, but RQI stockholders must approve each of Proposals 3A-3C separately.

RLF, RPF, RWF and RQI were incorporated in Maryland on June 21, 2000, April 11, 2002, June 16, 2004 and August 22, 2001, respectively. Each Fund is a closed-end, non-diversified management investment company with common stock listed on the NYSE. The Funds have substantially similar investment objectives and substantially similar (similar, for RWF) investment policies. Each Fund focuses its investments in real estate companies and is managed by Cohen & Steers Capital Management, Inc. (the Investment Manager). Please see Proposal 1 Comparison of Investment Objectives, Strategies and Principal Risks of Investing in the Funds in this Proxy/Prospectus.

Each Merger will be effected pursuant to an Agreement and Plan of Merger, a form of which is attached to this Proxy/Prospectus as Appendix A. The material terms and conditions of the Agreements and Plans of Merger are summarized in this Proxy/Prospectus. See Proposal 1 Information About the Mergers The Agreements and Plans of Merger.

This Proxy/Prospectus serves as a prospectus for RQI Common Shares under the Securities Act of 1933, as amended (the Securities Act), in connection with the issuance of RQI Common Shares in the Mergers.

Assuming the Funds stockholders approve the Mergers and all other conditions to the consummation of the Mergers are satisfied or waived, the Funds will file articles of merger (the Articles of Merger) with respect to each

Merger with the State Department of Assessments and Taxation in Maryland (the SDAT). Each Merger will become effective when the SDAT accepts for record the Articles of Merger or at such later time, which may not exceed 30 days after the Articles of Merger are accepted for record, as specified in the Articles of Merger. The date when the Articles of Merger are accepted for record, or the later date, is referred to in this Proxy/Prospectus as the Closing Date. Each Acquired Fund, as soon as practical after the Closing Date, will terminate its registration under the 1940 Act.

Each Merger is being structured as a reorganization for federal income tax purposes. See Proposal 1 Information About the Proposed Mergers Material U.S. Federal Income Tax Consequences. Stockholders should consult their tax advisors to determine the actual impact of the Merger of their Fund on them in light of their individual tax circumstances.

You should retain this Proxy/Prospectus for future reference as it sets forth concisely information about the Funds that you should know before voting on the proposed Mergers described herein.

A Statement of Additional Information (SAI) dated [ ], 2009, which contains additional information about the Mergers and the Funds, has been filed with the Securities and Exchange Commission (the SEC). The SAI, as well each Fund s Annual Report to Stockholders for the fiscal year ended December 31, 2008, which highlight certain important information such as investment performance and expense and financial information, are incorporated by reference into this Proxy/Prospectus. You may receive free of charge a copy of the SAI or a Fund s Annual Report by visiting our website at *www.cohenandsteers.com,* by calling [ ] or by writing a Fund at the address listed above.

In addition, you can copy and review this Proxy/Prospectus and the complete filing on Form N-14 containing the Proxy/Prospectus and any of the above-referenced documents at the SEC s Public Reference Room in Washington, D.C. You may obtain information about the operation of the Public Reference Room by calling the SEC at (202) 551-8090. Reports and other information about each Fund are available on the EDGAR Database on the SEC s website at *www.sec.gov*. You may also obtain copies of this information, after paying a duplicating fee, by electronic request at *publicinfo@sec.gov*, or by writing the SEC at Public Reference Section, Securities and Exchange Commission, 100 F Street, N.E., Washington, D.C. 20549.

RLF, RPF, RWF and RQI common shares are listed on the NYSE under the symbols RLF, RPF, RWF and RQI, respectively. After the Closing Date, RQI Common Shares will continue to be listed on the NYSE under the symbol RQI.

The information contained herein concerning each Fund has been provided by, and is included herein in reliance upon, each respective Fund.

The SEC has not approved or disapproved these securities nor passed upon the accuracy or adequacy of this Proxy/Prospectus. Any representation to the contrary is a criminal offense.

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PROPOSAL 1

TO APPROVE THE MERGERS OF ACQUIRED FUNDS WITH AND INTO RQI IN ACCORDANCE

WITH THE MARYLAND GENERAL CORPORATION LAW

SUMMARY

This summary is qualified in its entirety by reference to the additional information contained elsewhere in this Proxy/Prospectus and the Agreements and Plans of Merger, a form of which is attached to this Proxy/Prospectus as Appendix A.

Proposed Mergers

At meetings held on June 2, 2009, June 9-10, 2009, June 17, 2009 and June 29, 2009, the Funds Boards, including the Directors who are not interested persons (as defined in the 1940 Act) (the Independent Directors), considered and, on June 29, 2009, adopted resolutions in which the Boards declared advisable and approved, the Agreements and Plans of Merger. As a result of the Mergers:

- each full (and fractional) Acquired Fund Common Share will convert into an equivalent dollar amount (to the nearest $0.001) of full (and fractional) RQI Common Shares, based on the net asset value per share of each Fund calculated at 4:00 p.m. on the Closing Date; and

- each holder of Acquired Fund Common Shares will become a holder of RQI Common Shares and will receive, on the Closing Date, that number of full (and fractional) RQI Common Shares having an aggregate net asset value to the aggregate net asset value of such stockholder s Acquired Fund Common Shares as of the close of business on the Closing Date.

If a Merger is not approved, the affected Acquired Fund will continue as a separate investment company, and the Board of that Acquired Fund will separately consider such alternatives as it determines to be in the best interests of stockholders, including re-proposing the Merger.

For the reasons set forth below in Information About the Proposed Mergers Reasons for the Mergers and Board Considerations, the Board of each Fund, including the Independent Directors, have concluded that the relevant Merger(s) would be in the best interests of the Fund and its stockholders, and that the interests of Fund stockholders would not be diluted as a result of the Merger(s). **The Boards, therefore, are hereby submitting the Mergers to Fund stockholders and recommend that stockholders of each Fund vote FOR the Merger affecting their Fund.**

Because the Mergers have been approved by the Board of each Fund, as applicable, including at least 75% of the Continuing Directors (as defined herein), under the Funds charters, approval of each Merger requires the affirmative vote of the holders of a majority of the outstanding shares of common stock of each Fund involved in that Merger. See Voting Information below. The stockholders of RLF, RPF and RWF will vote separately on the Merger involving their Fund. The stockholders of RQI will vote separately on each Merger. In addition, the Merger of RWF with and into RQI is conditioned on the approval of the Merger of RLF with and into RQI or the Merger of RPF with and into RQI. If stockholders approve the Mergers, and if holders of RQI Common Shares approve Proposal 2, the Closing Date of the Mergers is expected to be December 11, 2009, but in any event no later than December 31, 2009.

Prior to completion of each Merger, the affected Funds will each have received an opinion of Stroock & Stroock & Lavan LLP to the effect that the Merger will qualify as a reorganization for federal income tax purposes. Accordingly, for federal income tax purposes, (i) no gain or loss will generally be recognized by the Acquired Fund or the holders of Acquired Fund Common Shares as a result of the Merger, (ii) the aggregate tax basis of the RQI Common Shares received by the holders of Acquired Fund Common Shares will be the same as the aggregate tax basis of the holders Acquired Fund Common Shares and (iii) a holder s holding period for RQI Common Shares will generally be determined by including the period for which he or she held Acquired Fund Common Shares, converted pursuant to the Merger, provided that such shares were held as capital assets. For more information about the federal income tax consequences of the Mergers, see Information about the Proposed Mergers Material U.S. Federal Income Tax Consequences below.

Comparison of Investment Objectives, Principal Investment Strategies and Principal Risks

The Funds have substantially similar investment objectives, which are, primarily, high current income through investment in real estate securities (for RWF, high current income) and, secondarily, capital appreciation, and substantially similar (similar, for RWF) investment policies. Each Fund is a non-diversified, closed-end management investment company. Each Fund focuses its investments in equity securities, including common stocks, preferred stocks and other equity securities, of U.S. real estate companies; however, RWF focuses its investments in global real estate companies, which includes U.S. real estate companies. Each Fund also is managed by Cohen & Steers Capital Management, Inc. Cohen & Steers Europe S.A. (CNS Europe), Cohen & Steers UK Limited (CNS UK) and Cohen & Steers Asia Limited (CNS Asia) also serve as sub-investment advisers to RWF (collectively, the Subadvisers). As noted below, the Investment Manager expects to appoint, subject to Board approval, the Subadvisers to serve as subadvisers to the combined Fund effective immediately following the Closing Date.

Under normal circumstances, each RLF and RPF invests at least 90% of its managed assets in common stocks, preferred stocks and other equity securities issued by real estate companies. Under normal circumstances, each of RLF, RPF and RQI invests at least 80% of its managed assets invested in income producing equity securities issued by real estate investment trusts (REITs) (for RQI, high quality REITs). Under normal circumstances, RWF invests at least 80% of its managed assets in a portfolio of income producing global real estate equity securities, with up to 70% of its managed assets allocated to common stocks (including REIT shares) issued by real estate companies (approximately 75% of which are companies located in Asia, Europe and Canada and approximately 25% of which are U.S. companies) and up to 30% of its managed assets allocated to preferred and other fixed-income securities of U.S. and non-U.S. companies. RLF and RPF each may invest up to 20% of its managed assets in foreign securities. RQI may invest up to 25% of its managed assets in foreign securities, including up to 15% of its assets in companies located in emerging market countries. RWF is not limited in the amount of assets it may invest in foreign securities. RWF primarily invests in developed countries but may invest up to 15% of its managed assets in emerging market countries and expects to have investments in at least three countries, including the United States. As used in this Proxy/Prospectus, managed assets are a Fund s net assets applicable to shares of its common stock plus the liquidation preference of AMPS, if any, and the outstanding balance of its borrowings, if any.

Each Fund may invest in preferred securities and other fixed income securities issued by any type of company and may invest in non-investment grade preferred stock or debt securities, although the percentages by Fund vary. RLF, RPF and RQI each have a fundamental investment restriction to not invest more than 25%, 25% and 20%, respectively, of its managed assets in non-investment grade preferred stock or debt securities, while RWF has a non-fundamental investment restriction to limit investments to 30% in such securities. RQI s stockholders are being asked in Proposal 3B to approve converting RQI s investment restriction to a non-fundamental policy that may be changed by the Board without stockholder approval. Each Fund generally will not invest more than 10% of its managed assets in the securities of one issuer.

Each Fund may purchase and sell derivative instruments such as exchange-listed and over-the-counter put and call options on securities, equity, fixed-income and interest rate indices, and other financial instruments, purchase and sell financial futures contracts and options thereon, enter into various interest rate transactions such as swaps, caps, floors or collars or credit transactions and credit default swaps. In addition, the Funds may enter into various currency transactions, such as forward currency contracts, currency futures contracts, currency swaps and options on currency or currency futures. The Funds also may purchase derivative instruments that combine features of these instruments. Each Fund may enter into interest rate transactions to, among other purposes, hedge interest rate exposure on investment leverage.

Each Fund may engage in securities lending up to 33-1/3% of managed assets, and may acquire or maintain securities in investment companies in accordance with the limits set forth in Section 12(d)(1) of the 1940 Act.

The fundamental investment restrictions to which the Funds are subject are similar but not identical.

Because of their substantially similar (similar, for RWF) investment objectives and substantially similar (similar, for RWF) principal investment strategies, the Funds are subject to similar investment risks. Because each Fund concentrate its assets in the real estate industry, a Fund s investments will be closely linked to the performance of the real estate markets. Property values may fall due to increasing vacancies or declining rents resulting from economic, legal, cultural or technological developments. REIT prices also may drop because of the failure of borrowers to pay their loans and poor management. Many REITs utilize leverage, which increases investment risk and could adversely affect a REIT s operations and market value in periods of rising interest rates as well as risks normally associated with debt financing. In addition, there are specific risks associated with particular sectors of real estate investments such as retail, office, hotel, healthcare, and multifamily properties. The Investment Manager does not believe any Merger will adversely affect the rights of the Funds stockholders or create additional risks.

When the Investment Manager believes that market or general economic conditions justify a temporary defensive position, each Fund may deviate from its investment objectives and invest all or any portion of its assets in investment grade debt securities, without regard to whether the issuer is a real estate company. When and to the extent, a Fund assumes a temporary defensive position, it may not pursue or achieve its investment objectives.

None of the Funds are intended to be a complete investment program, and there is no assurance that any of the Funds will achieve their investment objectives.

The preceding summary of the Funds investment objectives and certain policies and related risks should be considered in conjunction with the discussion below under Comparison of Investment Objectives, Strategies and Principal Risks of Investing in the Funds Investment Objectives, Strategies and Principal Risks, Additional Investment Activities and Risk Factors, which contains a more complete comparison of the Funds investment objectives, strategies, policies and restriction and related risks. The investment strategies, policies and restrictions of RQI will be the same for the combined Fund, including any changes approved by RQI s stockholders set forth in Proposal 3 below.

Fees and Expenses

Each Fund has employed leverage as part of its investment strategy since shortly after its inception. Historically, the Funds leverage has consisted of proceeds from the issuance of auction market preferred securities (AMPS). In February 2008, the auction markets for these types of securities started to fail, and the Funds have, since that time, redeemed all of their outstanding shares of AMPS by borrowing funds pursuant to lines of credit with a financial institution (borrowings) or by cash proceeds from the sale of portfolio securities. As of December 31, 2008, each Fund s most recent fiscal year end, each Fund used a combination of AMPS and borrowing to finance its leverage strategy. On June 30, 2009, the Funds publicly announced their intent to redeem all of their outstanding shares of AMPS through the incurrence of additional borrowings. These redemptions were completed on [ ], 2009.

To complete the AMPS redemptions and maintain the Funds leverage strategies at their levels at the time of such redemptions, the Funds relied, and continue to rely, on an exemptive order from the SEC providing temporary relief from the 300% asset coverage requirements for debt set forth in Section 18 of the 1940 Act. This allowed each Fund to redeem its then-outstanding AMPS by borrowing funds pursuant to a line of credit under the same 200% asset coverage requirements set forth in Section 18 of the 1940 Act for AMPS, instead of the statutorily-imposed asset coverage ratio for debt of 300%. This relief is temporary and, unless extended by the SEC, will expire on October 31, 2010.

Upon the Closing Date, assuming each of the Mergers is approved, the existing credit arrangements for the Acquired Funds will terminate in accordance with their terms, and RQI s lender will remain the sole lender to the combined Fund, which will assume the debt of the Acquired Funds as part of the Mergers. After the Mergers, the amount available under the credit arrangement will be sufficient for the combined Fund to maintain its current leverage strategy, although the amount of leverage employed by RQI may change over time. In addition, there is no guarantee that borrowing rates under the existing or future credit arrangements will remain the same.

Following completion of the Mergers, the Investment Manager expects the annual total expenses borne by the stockholders of the combined Fund to vary, in some circumstances substantially, from the expense information provided in each Fund s Annual Report to Stockholders for the fiscal year ended December 31, 2008, as the combined Fund will no longer be paying dividend payments on AMPS (which are not reflected as Fund expenses), but will be paying interest and fees on borrowings, including the borrowings assumed from the Acquired Funds. In light of the material change in the Funds capital structure that has occurred since December 31, 2008, the fee tables below reflect the Funds actual expenses as of April 30, 2009, on an annualized basis, assuming each Fund replaced with borrowings all of its AMPS outstanding as of April 30, 2009 and had credit arrangements with RQI s lender, on the same terms as RQI and with reduced lines as set forth in the footnotes to the tables below. The Funds expect that the expenses of the stockholders of the combined Fund will more closely reflect the expense structure shown in the tables below instead of the expenses borne by the Funds stockholders for the twelve month period ended December 31, 2008.

Fee Tables

After the Mergers, the combined Fund is anticipated to have a lower total annual operating expense ratio, including the cost of leverage (interest and fees on borrowings), than each Fund s total annual operating expense ratio individually prior to the Mergers (including the costs of leverage in the form of dividends paid to AMPS holders and interest and fees on borrowings). As described in this Proxy/Prospectus, except for RWF, an unfavorable vote by the stockholders of one of the Acquired Funds will not affect the implementation of a Merger by another Acquired Fund if approved by stockholders of such other Acquired Fund and RQI. The Merger of RWF with and into RQI is contingent on either RLF or RPF participating in a Merger.

The tables below reflect the Funds expense ratios (based upon each Fund s net assets) as of April 30, 2009, on an annualized basis, assuming each Fund replaced with borrowings all of its AMPS outstanding as of April 30, 2009 had credit arrangements with RQI s lender, on the same terms as RQI and with reduced lines as set forth in the footnotes to the tables below. Accordingly, the actual fees and expenses of each Fund and the combined Fund as of the Closing Date can be expected to differ from those reflected in the tables below due to changes in net assets and interest rates from those at April 30, 2009 and other factors. Changes in net assets may result from market appreciation or depreciation and other factors occurring between those dates and the Closing Date. As a general matter, changes (positive or negative) in a Fund s expense ratio resulting from fluctuations in the Fund s net assets will be borne by that Fund s stockholders, after a Merger, and the combined Fund. The table does not reflect non-recurring estimated Merger expenses of approximately $885,000, of which $214,000 is attributable to RLF, $236,000 is attributable to RPF, $124,000 is attributable to RWF, and $311,000 is attributable to RQI. These estimated expenses are equal to 0.19% of the net assets of each individual Fund as well as the combined Fund.

Each Merger is expected to result in a lower total expense ratio, including the costs of leverage, for each participating Fund. However, it is anticipated that the most likely expense ratio for the combined Fund will be achieved as a result of all of the Mergers being approved and consummated, and that the least favorable expense ratio for the combined Fund will result if RLF and RWF are the only Acquired Funds that participates in the Mergers. As such, the following tables present the estimated operating expenses as a result of (i) all Funds approving and participating in the Mergers and (ii) the Mergers of RLF and RWF with and into RQI. Because each Acquired Fund s participation in a Merger is not contingent on whether a Merger is approved by any of the other Acquired Funds (other than RWF, for which participation is contingent on either RLF or RPF participating in a Merger), several Fund combinations are possible and the effects on expenses for all possible combinations are not illustrated in the expense tables below. It is expected, however, that the range of resulting expenses from the possible Fund combinations is captured in the expense tables shown below because such tables illustrate what is anticipated to be the most likely and least favorable resulting expenses for the combined Fund.

Consummation of each Merger

	RLF	**RPF**	**RWF**	**RQI**	**Pro Forma Combined Fund (RQI)[1]**
Stockholder Transaction Expenses					
Sales Load *(as a percentage of offering price)*[2]	None	None	None	None	None
Dividend Reinvestment Plan Fees[3]	None	None	None	None	None
Annual Expenses *(as a percentage of net assets attributable to common stock)*[4]					
Management Fees[5]	1.47%	1.35%	1.64%	1.45%	1.46%