

COHEN & STEERS TOTAL RETURN REALTY FUND INC  
Form N-Q  
November 28, 2012

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-07154

Cohen & Steers Total Return Realty Fund, Inc.  
(Exact name of registrant as specified in charter)

280 Park Avenue  
New York, NY  
(Address of principal executive offices)

10017  
(Zip code)

Tina M. Payne

280 Park Avenue

New York, NY 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: September 30, 2012

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**Item 1. Schedule of Investments**

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## COHEN &amp; STEERS TOTAL RETURN REALTY FUND, INC.

## SCHEDULE OF INVESTMENTS

September 30, 2012 (Unaudited)

|   | Number<br>of Shares | Value      |
|---|---------------------|------------|
| <b>COMMON STOCK REAL ESTATE 78.3%</b>   |                     |            |
| <b>DIVERSIFIED 6.4%</b>                 |                     |            |
| American Assets Trust                   | 27,752              | \$ 743,476 |
| Coresite Realty Corp.                   | 19,200              | 517,248    |
| Forest City Enterprises, Class A(a)     | 7,767               | 123,107    |
| Vornado Realty Trust                    | 83,360              | 6,756,328  |
|   |                     | 8,140,159  |
| <b>HEALTH CARE 7.4%</b>                 |                     |            |
| Brookdale Senior Living(a)              | 14,561              | 338,106    |
| HCP                                     | 96,585              | 4,296,101  |
| Health Care REIT                        | 24,236              | 1,399,629  |
| Ventas                                  | 56,136              | 3,494,466  |
|   |                     | 9,528,302  |
| <b>HOTEL 5.3%</b>                       |                     |            |
| Chesapeake Lodging Trust                | 34,818              | 691,834    |
| Hersha Hospitality Trust                | 236,307             | 1,157,904  |
| Host Hotels & Resorts                   | 72,943              | 1,170,735  |
| Hyatt Hotels Corp., Class A(a)          | 60,342              | 2,422,731  |
| Pebblebrook Hotel Trust                 | 41,700              | 975,363    |
| Strategic Hotels & Resorts Worldwide(a) | 69,488              | 417,623    |
|   |                     | 6,836,190  |
| <b>INDUSTRIALS 5.5%</b>                 |                     |            |
| DCT Industrial Trust                    | 135,853             | 878,969    |
| Prologis                                | 177,153             | 6,205,670  |
|   |                     | 7,084,639  |
| <b>OFFICE 9.8%</b>                      |                     |            |
| Alexandria Real Estate Equities         | 21,686              | 1,594,355  |
| Boston Properties                       | 29,517              | 3,264,875  |
| Brookfield Office Properties (Canada)   | 88,961              | 1,473,194  |
| Corporate Office Properties Trust       | 30,595              | 733,362    |
| Hudson Pacific Properties               | 101,754             | 1,882,449  |
| Kilroy Realty Corp.                     | 27,359              | 1,225,136  |
| SL Green Realty Corp.                   | 28,865              | 2,311,221  |
|   |                     | 12,484,592 |
| <b>OFFICE/INDUSTRIALS 1.0%</b>          |                     |            |
| PS Business Parks                       | 19,037              | 1,272,052  |

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|                                       | Number<br>of Shares | Value             |
|---------------------------------------|---------------------|-------------------|
| <b>RESIDENTIAL 15.6%</b>              |                     |                   |
| <b>APARTMENT 14.9%</b>                |                     |                   |
| American Campus Communities           | 32,650              | \$ 1,432,682      |
| Apartment Investment & Management Co. | 86,444              | 2,246,679         |
| Associated Estates Realty Corp.       | 57,318              | 868,941           |
| AvalonBay Communities                 | 18,478              | 2,512,823         |
| Colonial Properties Trust             | 71,600              | 1,507,180         |
| Education Realty Trust                | 34,968              | 381,151           |
| Equity Residential                    | 98,241              | 5,651,805         |
| Essex Property Trust                  | 8,300               | 1,230,392         |
| Mid-America Apartment Communities     | 14,654              | 957,053           |
| UDR                                   | 89,984              | 2,233,403         |
|                                       |                     | 19,022,109        |
| <b>MANUFACTURED HOME 0.7%</b>         |                     |                   |
| Equity Lifestyle Properties           | 13,406              | 913,217           |
| <b>TOTAL RESIDENTIAL</b>              |                     | <b>19,935,326</b> |
| <b>SELF STORAGE 4.7%</b>              |                     |                   |
| Public Storage                        | 35,020              | 4,873,733         |
| Sovran Self Storage                   | 19,300              | 1,116,505         |
|                                       |                     | 5,990,238         |
| <b>SHOPPING CENTERS 20.5%</b>         |                     |                   |
| <b>COMMUNITY CENTER 7.1%</b>          |                     |                   |
| Acadia Realty Trust                   | 28,198              | 699,874           |
| DDR Corp.                             | 85,700              | 1,316,352         |
| Federal Realty Investment Trust       | 22,784              | 2,399,155         |
| Kimco Realty Corp.                    | 48,200              | 977,014           |
| Ramco-Gershenson Properties Trust     | 52,786              | 661,409           |
| Regency Centers Corp.                 | 51,138              | 2,491,955         |
| Retail Properties of America          | 49,966              | 565,615           |
|                                       |                     | 9,111,374         |
| <b>REGIONAL MALL 13.4%</b>            |                     |                   |
| General Growth Properties             | 171,937             | 3,349,333         |
| Glimcher Realty Trust                 | 119,200             | 1,259,944         |
| Simon Property Group                  | 78,657              | 11,940,919        |
| Taubman Centers                       | 8,361               | 641,540           |
|                                       |                     | 17,191,736        |
| <b>TOTAL SHOPPING CENTERS</b>         |                     | <b>26,303,110</b> |

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|  | Number<br>of Shares | Value        |
|--|---------------------|--------------|
| <b>SPECIALTY 2.1%</b>                                      |                     |              |
| Digital Realty Trust                                       | 38,699              | \$ 2,703,125 |
| <b>TOTAL COMMON STOCK</b>                                  |                     |              |
| (Identified cost \$72,717,559)                             |                     | 100,277,733  |
| <b>PREFERRED SECURITIES \$25 PAR VALUE 16.5%</b>           |                     |              |
| <b>BANKS 0.6%</b>  |                     |              |
| Ally Financial, 7.375%, due 12/16/44                       | 30,000              | 730,800      |
| <b>BANKS FOREIGN 0.2%</b>                                  |                     |              |
| National Westminster Bank PLC, 7.76%, Series C             | 13,358              | 334,618      |
| <b>INSURANCE MULTI-LINE FOREIGN 0.3%</b>                   |                     |              |
| ING Groep N.V., 7.375%                                     | 15,000              | 373,950      |
| <b>REAL ESTATE 15.4%</b>                                   |                     |              |
| <b>DIVERSIFIED 4.1%</b>                                    |                     |              |
| Capital Lease Funding, 8.125%, Series A                    | 20,000              | 500,000      |
| Colony Financial, 8.50%, Series A                          | 20,000              | 516,000      |
| Cousins Properties, 7.75%, Series A                        | 26,725              | 678,815      |
| DuPont Fabros Technology, 7.875%, Series A                 | 20,000              | 537,400      |
| DuPont Fabros Technology, 7.625%, Series B                 | 20,000              | 538,800      |
| Forest City Enterprises, 7.375%, due 2/1/34                | 38,000              | 921,500      |
| Lexington Realty Trust, 6.50%, Series C (\$50 Par Value)   | 24,900              | 1,221,096    |
| Lexington Realty Trust, 7.55%, Series D                    | 16,500              | 415,800      |
|  |                     | 5,329,411    |
| <b>HOTEL 3.4%</b>  |                     |              |
| Ashford Hospitality Trust, 9.00%, Series E                 | 30,000              | 806,100      |
| Chesapeake Lodging Trust, 7.75%, Series A                  | 20,000              | 518,200      |
| Hersha Hospitality Trust, 8.00%, Series B                  | 25,000              | 647,250      |
| Hospitality Properties Trust, 7.125%, Series D             | 10,000              | 269,100      |
| Pebblebrook Hotel Trust, 7.875%, Series A                  | 35,000              | 925,400      |
| Strategic Hotels & Resorts, 8.25%, Series B                | 20,000              | 499,800      |
| Sunstone Hotel Investors, 8.00%, Series D                  | 25,000              | 644,250      |
|  |                     | 4,310,100    |
| <b>INDUSTRIALS 1.2%</b>                                    |                     |              |
| First Potomac Realty Trust, 7.75%, Series A                | 15,000              | 387,450      |
| Monmouth Real Estate Investment Corp., 7.875%, Series B(b) | 20,000              | 530,000      |
| Prologis, 6.75%, Series R                                  | 25,000              | 627,750      |
|  |                     | 1,545,200    |

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|  | Number<br>of Shares |    | Value             |
|--|---------------------|----|-------------------|
| <b>OFFICE 0.2%</b>   |                     |    |                   |
| Hudson Pacific Properties, 8.375%, Series B  | 8,500               | \$ | 227,842           |
| <b>OFFICE/INDUSTRIALS 0.4%</b>   |                     |    |                   |
| PS Business Parks, 6.70%, Series P   | 22,538              |    | 563,901           |
| <b>RESIDENTIAL 1.0%</b>  |                     |    |                   |
| <b>APARTMENT 0.4%</b>  |                     |    |                   |
| Alexandria Real Estate Equities, 7.00%, Series D                                   | 19,000              |    | 519,650           |
| <b>MANUFACTURED HOME 0.6%</b>  |                     |    |                   |
| Equity Lifestyle Properties, 8.034%, Series A                                      | 8,940               |    | 224,126           |
| Equity Lifestyle Properties, 6.75%, Series C                                       | 19,060              |    | 490,414           |
|  |                     |    | 714,540           |
| <b>TOTAL RESIDENTIAL</b>   |                     |    | <b>1,234,190</b>  |
| <b>SHOPPING CENTERS 4.7%</b>   |                     |    |                   |
| <b>COMMUNITY CENTER 2.9%</b>   |                     |    |                   |
| Cedar Realty Trust, 7.25%, Series B  | 20,000              |    | 485,000           |
| Cedar Shopping Centers, 8.875%, Series A   | 23,594              |    | 599,288           |
| DDR Corp., 7.375%, Series H  | 19,900              |    | 501,281           |
| DDR Corp., 6.50%, Series J   | 25,200              |    | 626,976           |
| Kite Realty Group Trust, 8.25%, Series A   | 10,000              |    | 259,400           |
| Ramco-Gershenson Properties Trust, 7.25%, Series D (\$50 Par Value)(Convertible)   | 15,000              |    | 766,950           |
| Urstadt Biddle Properties, 8.50%, Series C (\$100 Par Value)(b)                    | 4,000               |    | 421,240           |
|  |                     |    | 3,660,135         |
| <b>REGIONAL MALL 1.8%</b>  |                     |    |                   |
| CBL & Associates Properties, 7.75%, Series C                                       | 16,000              |    | 401,280           |
| CBL & Associates Properties, 7.375%, Series D                                      | 49,998              |    | 1,265,949         |
| Pennsylvania REIT, 8.25%, Series A   | 25,000              |    | 659,250           |
|  |                     |    | 2,326,479         |
| <b>TOTAL SHOPPING CENTERS</b>  |                     |    | <b>5,986,614</b>  |
| <b>SPECIALTY 0.4%</b>  |                     |    |                   |
| Entertainment Properties Trust, 9.00%, Series E                                    | 20,000              |    | 582,200           |
| <b>TOTAL REAL ESTATE</b>   |                     |    | <b>19,779,458</b> |
| <b>TOTAL PREFERRED SECURITIES \$25 PAR VALUE</b><br>(Identified cost \$18,787,618) |                     |    | <b>21,218,826</b> |

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|   | Number<br>of Shares | Value      |
|---|---------------------|------------|
| <b>PREFERRED SECURITIES CAPITAL SECURITIES 1.4%</b>                                   |                     |            |
| <b>BANKS 0.5%</b>   |                     |            |
| Farm Credit Bank of Texas, 10.00%, due 12/15/20, Series I                             | 500                 | \$ 585,625 |
| <b>FINANCE DIVERSIFIED FINANCIAL SERVICES 0.4%</b>                                    |                     |            |
| General Electric Capital Corp., 7.125%, due 12/15/49, Series A                        | 500,000             | 559,385    |
| <b>INSURANCE MULTI-LINE 0.5%</b>  |                     |            |
| American International Group, 8.175%, due 5/15/58, (FRN)                              | 500,000             | 614,375    |
| <b>TOTAL PREFERRED SECURITIES CAPITAL SECURITIES</b><br>(Identified cost \$1,531,025) |                     | 1,759,385  |
|   | Principal<br>Amount |            |
| <b>CORPORATE BONDS 2.3%</b>   |                     |            |
| <b>INSURANCE PROPERTY CASUALTY 0.3%</b>   |                     |            |
| Liberty Mutual Insurance, 7.697%, due 10/15/97, 144A(c)                               | \$ 375,000          | 391,869    |
| <b>INTEGRATED TELECOMMUNICATIONS SERVICES 0.6%</b>                                    |                     |            |
| CenturyLink, 7.65%, due 3/15/42   | 750,000             | 801,485    |
| <b>REAL ESTATE 1.4%</b>   |                     |            |
| <b>OFFICE 0.5%</b>  |                     |            |
| BR Properties SA, 9.00%, due 10/29/49, 144A (Brazil)(c)                               | 500,000             | 545,000    |
| <b>SHOPPING CENTERS 0.9%</b>  |                     |            |
| BR Malls International Finance Ltd., 8.50%, due 1/29/49, 144A (Brazil)(b),(c)         | 500,000             | 550,000    |
| General Shopping Finance Ltd., 10.00%, due 11/29/49, 144A(b),(c)                      | 620,000             | 635,294    |
| <b>TOTAL REAL ESTATE</b>  |                     | 1,185,294  |
| <b>TOTAL CORPORATE BONDS</b><br>(Identified cost \$2,714,293)                         |                     | 1,730,294  |
|   |                     | 2,923,648  |

|   | Number<br>of Shares | Value          |
|---|---------------------|----------------|
| <b>SHORT-TERM INVESTMENTS 0.8%</b>  |                     |                |
| <b>MONEY MARKET FUNDS</b>   |                     |                |
| BlackRock Liquidity Funds: FedFund, 0.01%(d)  | 550,040             | \$ 550,040     |
| Federated Government Obligations Fund, 0.02%(d)   | 550,041             | 550,041        |
| <b>TOTAL SHORT-TERM INVESTMENTS</b><br>(Identified cost \$1,100,081)                                      |                     | 1,100,081      |
| <b>TOTAL INVESTMENTS</b> (Identified cost \$96,850,576)   | 99.3%               | 127,279,673    |
| <b>OTHER ASSETS IN EXCESS OF LIABILITIES</b>  | 0.7                 | 837,527        |
| <b>NET ASSETS</b> (Equivalent to \$13.44 per share based on 9,533,773 shares of common stock outstanding) | 100.0%              | \$ 128,117,200 |

Glossary of Portfolio Abbreviations

|      |                              |
|------|------------------------------|
| FRN  | Floating Rate Note           |
| REIT | Real Estate Investment Trust |

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

- (a) Non-income producing security.
- (b) Illiquid security. Aggregate holdings equal 1.7% of the net assets of the Fund.
- (c) Resale is restricted to qualified institutional investors. Aggregate holdings equal 1.7% of the net assets of the Fund, of which 0.9% are illiquid.
- (d) Rate quoted represents the seven-day yield of the fund.



**Cohen & Steers Total Return Realty Fund, Inc.**

**NOTES TO FINANCIAL STATEMENTS (Unaudited)**

**Note 1. Portfolio Valuation**

Investments in securities that are listed on the New York Stock Exchange are valued, except as indicated below, at the last sale price reflected at the close of the New York Stock Exchange on the business day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the closing bid and ask prices on such day or, if no ask price is available, at the bid price. Exchange traded options are valued at their last sale price as of the close of options trading on applicable exchanges. In the absence of a last sale price, options are valued at the average of the quoted bid and ask prices as of the close of business. Over-the-counter options quotations are provided by the respective counterparty.

Securities not listed on the New York Stock Exchange but listed on other domestic or foreign securities exchanges are valued in a similar manner. Securities traded on more than one securities exchange are valued at the last sale price reflected at the close of the exchange representing the principal market for such securities on the business day as of which such value is being determined. If after the close of a foreign market, but prior to the close of business on the day the securities are being valued, market conditions change significantly, certain foreign securities may be fair valued pursuant to procedures established by the Board of Directors.

Readily marketable securities traded in the over-the-counter market, including listed securities whose primary market is believed by the advisor to be over-the-counter, are valued at the last sale price on the valuation date as reported by sources deemed appropriate by the Board of Directors to reflect their fair market value. If there has been no sale on such day, the securities are valued at the mean of the closing bid and ask prices on such day or, if no ask price is available, at the bid price. However, certain fixed-income securities may be valued on the basis of prices provided by a pricing service when such prices are believed by the advisor, pursuant to delegation by the Board of Directors, to reflect the fair market value of such securities.

Short-term debt securities with a maturity date of 60 days or less are valued at amortized cost, which approximates value. Investments in open-end mutual funds are valued at their closing net asset value.

The policies and procedures approved by the Fund's Board of Directors delegate authority to make fair value determinations to the advisor, subject to the oversight of the Board of Directors. The advisor has established a valuation committee (Valuation Committee) to administer, implement and oversee the fair valuation process according to the policies and procedures approved annually by the Board of Directors. Among other things, these procedures allow the Fund to utilize independent pricing services, quotations from securities and financial instrument dealers and other market sources to determine fair value.

Securities for which market prices are unavailable, or securities for which the advisor determines that the bid and/or ask price or a counterparty valuation does not reflect market value, will be valued at fair value, as determined in good faith by the Valuation Committee, pursuant to procedures approved by the Fund's Board of Directors. Circumstances in which market prices may be unavailable include, but are not limited to, when trading in a security is suspended, the exchange on which the security is traded is subject to an unscheduled close or disruption or material

events

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**Cohen & Steers Total Return Realty Fund, Inc.****NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)**

occur after the close of the exchange on which the security is principally traded. In these circumstances, the Fund determines fair value in a manner that fairly reflects the market value of the security on the valuation date based on consideration of any information or factors it deems appropriate. These may include, but are not limited to, recent transactions in comparable securities, information relating to the specific security and developments in the markets.

The Fund's use of fair value pricing may cause the net asset value of Fund shares to differ from the net asset value that would be calculated using market quotations. Fair value pricing involves subjective judgments and it is possible that the fair value determined for a security may be materially different than the value that could be realized upon the sale of that security.

Fair value is defined as the price that the Fund would expect to receive upon the sale of an investment or expect to pay to transfer a liability in an orderly transaction with an independent buyer in the principal market or, in the absence of a principal market, the most advantageous market for the investment or liability. The hierarchy of inputs that are used in determining the fair value of the Fund's investments is summarized below.

- Level 1 quoted prices in active markets for identical investments
- Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.)
- Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

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

For movements between the levels within the fair value hierarchy, the Fund has adopted a policy of recognizing the transfer at the end of the period in which the underlying event causing the movement occurred. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. There were no transfers between Level 1 and Level 2 securities during the period ended September 30, 2012.

The following is a summary of the inputs used as of September 30, 2012 in valuing the Fund's investments carried at value:

|   | <b>Total</b>   | <b>Quoted Prices In<br/>Active Markets for<br/>Identical Investments<br/>(Level 1)</b> | <b>Other Significant<br/>Observable<br/>Inputs<br/>(Level 2)</b> | <b>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</b> |
|---|----------------|--|--|--|
| Common Stock                              | \$ 100,277,733 | \$ 100,277,733   |  | \$   |
| Preferred Securities - \$25 Par Value     | 21,218,826     | 21,218,826   |  |  |
| Preferred Securities - Capital Securities | 1,759,385      |  | 1,759,385  |  |
|   | 1,185,294      |  |  | 1,185,294(a)   |

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Corporate Bonds - Real Estate -

Shopping Center

|                                    |                       |           |                    |                     |
|------------------------------------|-----------------------|-----------|--------------------|---------------------|
| Corporate Bonds - Other Industries | 1,738,354             |           | 1,738,354          |                     |
| Money Market Funds                 | 1,100,081             |           | 1,100,081          |                     |
| <b>Total Investments(b)</b>        | <b>\$ 127,279,673</b> | <b>\$</b> | <b>121,496,559</b> | <b>\$ 1,185,294</b> |

**Cohen & Steers Total Return Realty Fund, Inc.**

**NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)**

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(a) Deemed illiquid and valued by a pricing service which utilized independent broker quotes.

(b) Portfolio holdings are disclosed individually on the Schedule of Investments.

Investments classified as Level 3 infrequently trade and have significant unobservable inputs. Such items include investments for which the determination of fair value is based on prices from reputable dealers or third party pricing services without applying any adjustment.

Following is a reconciliation of investments for which significant unobservable inputs (Level 3) were used in determining fair value:

|                                   | <b>Investments<br/>in<br/>Securities</b> |
|-----------------------------------|--|
| Balance as of December 31, 2011   | \$ 621,550                               |
| Change in unrealized appreciation | 13,744                                   |
| Transfers into Level 3            | 550,000                                  |
| Balance as of September 30, 2012  | \$ 1,185,294                             |

The change in unrealized appreciation/(depreciation) attributable to securities owned on September 30, 2012 which were valued using significant unobservable inputs (Level 3) amounted to \$13,744.

**Note 2. Derivative Instruments**

*Options:* The Fund writes covered call options on securities and may write put or call options on an index and put options on securities with the intention of earning option premiums. Option premiums may increase the Fund's realized gains and therefore may help increase distributable income. When the Fund writes (sells) an option, an amount equal to the premium received by the Fund is recorded on the Statement of Assets and Liabilities as a liability. The amount of the liability is subsequently marked-to-market to reflect the current market value of the option written. When an option expires, the Fund realizes a gain on the option to the extent of the premium received. Premiums received from writing options which are exercised or closed are added to or offset against the proceeds or amount paid on the transaction to determine the realized gain or loss. If a put option on a security is exercised, the premium reduces the cost basis of the security purchased by the Fund. If a call option is exercised, the premium is added to the proceeds of the security sold to determine the realized gain or loss. The Fund, as writer of an option, bears the market risk of an unfavorable change in the price of the underlying index or security. Other risks include the possibility of an illiquid options market or the inability of the counterparties to fulfill their obligations under the contracts.

**Cohen & Steers Total Return Realty Fund, Inc.**

**NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)**

Transactions in options written during the nine months ended September 30, 2012, were as follows:

|   | <b>Number<br/>of Contracts</b> | <b>Premium</b> |
|---|--------------------------------|----------------|
| Options outstanding at December 31, 2011  |                                | \$             |
| Options written                           | 196                            | 27,815         |
| Options expired                           | (111)                          | (10,193)       |
| Options exercised                         | (85)                           | (17,622)       |
| Options outstanding at September 30, 2012 |                                | \$             |

**Note 3. Income Tax Information**

As of September 30, 2012, the federal tax cost and unrealized appreciation and depreciation in value of securities held were as follows:

|                                      |    |            |
|--------------------------------------|----|------------|
| Cost for federal income tax purposes | \$ | 96,850,576 |
| Gross unrealized appreciation        | \$ | 30,664,285 |
| Gross unrealized depreciation        |    | (235,188)  |
| Net unrealized appreciation          | \$ | 30,429,097 |

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**Item 2. Controls and Procedures**

(a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) are effective based on their evaluation of these disclosure controls and procedures required by Rule 30a-3(b) under the Investment Company Act of 1940 and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act as of a date within 90 days of the filing of this report.

(b) During the last fiscal quarter, there were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits.**

(a) Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(a) under the Investment Company Act of 1940.

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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.

**COHEN & STEERS TOTAL RETURN REALTY FUND, INC.**

By: /s/ Adam M. Derechin  
Name: Adam M. Derechin  
Title: President

Date: November 28, 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: /s/ Adam M. Derechin  
Name: Adam M. Derechin  
Title: President and Principal  
Executive Officer

By: /s/ James Giallanza  
Name: James Giallanza  
Title: Treasurer and Principal  
Financial Officer

Date: November 28, 2012

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