

RMR REAL ESTATE FUND
Form N-Q
November 09, 2007

**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

811-21241

RMR REAL ESTATE FUND
(Exact name of registrant as specified in charter)

400 CENTRE STREET
NEWTON, MASSACHUSETTS
(Address of principal executive offices)

02458
(Zip code)

Adam D. Portnoy, President
RMR Real Estate Fund
400 Centre Street
Newton, Massachusetts 02458
(Name and address of agent for service)

Copy to:

Brian D. O Sullivan

State Street Bank and Trust Company

2 Avenue De Lafayette, 6th Floor

Boston, Massachusetts 02111

Elizabeth Watson, Esq.

State Street Bank and Trust Company

2 Avenue De Lafayette, 6th Floor

Boston, Massachusetts 02111

Registrant's telephone number, including area code:

(617) 332-9530

Date of fiscal year end: December 31

Date of reporting period: September 30, 2007

Item 1. Schedule of investments.**RMR Real Estate Fund****Portfolio of Investments** September 30, 2007 (unaudited)

| Company | Shares | Value |
|--|---------------|--------------|
| <i>Common Stocks 99.3%</i> | | |
| <i>Real Estate Investment Trusts 95.4%</i> | | |
| <i>Apartments 8.9%</i> | | |
| Archstone-Smith Trust | 600 | \$ 36,084 |
| Associated Estates Realty Corp. | 105,400 | 1,374,416 |
| AvalonBay Communities, Inc. | 7,000 | 826,420 |
| BRE Properties, Inc. | 10,000 | 559,300 |
| Equity Residential | 49,000 | 2,075,640 |
| Essex Property Trust, Inc. | 2,000 | 235,140 |
| Home Properties, Inc. | 88,800 | 4,633,584 |
| Mid-America Apartment Communities, Inc. | 5,000 | 249,250 |
| | | 9,989,834 |
| <i>Diversified 23.2%</i> | | |
| CapLease, Inc. | 56,000 | 574,000 |
| Colonial Properties Trust | 88,700 | 3,042,410 |
| Cousins Properties, Inc. | 10,100 | 296,536 |
| Duke Realty Corp. | 70,000 | 2,366,700 |
| Franklin Street Properties Corp. | 3,000 | 51,750 |
| iStar Financial, Inc. | 6,000 | 203,940 |
| Lexington Corporate Properties Trust | 383,800 | 7,679,838 |
| Liberty Property Trust | 29,000 | 1,166,090 |
| Mission West Properties, Inc. | 5,000 | 60,750 |
| National Retail Properties, Inc. | 352,700 | 8,598,826 |
| Vornado Realty Trust | 19,000 | 2,077,650 |
| Washington Real Estate Investment Trust | 300 | 9,954 |
| | | 26,128,444 |
| <i>Health Care 17.6%</i> | | |
| Cogdell Spencer, Inc. | 16,500 | 305,250 |
| HCP, Inc. | 39,080 | 1,296,284 |
| Health Care REIT, Inc. | 162,600 | 7,193,424 |
| Medical Properties Trust, Inc. | 94,520 | 1,259,006 |
| Nationwide Health Properties, Inc. | 257,600 | 7,761,488 |
| OMEGA Healthcare Investors, Inc. | 96,000 | 1,490,880 |
| Universal Health Realty Income Trust | 13,000 | 461,890 |
| | | 19,768,222 |
| <i>Hospitality 6.6%</i> | | |
| Ashford Hospitality Trust, Inc. | 185,500 | 1,864,275 |
| Entertainment Properties Trust | 22,000 | 1,117,600 |
| Equity Inns, Inc. | 11,000 | 248,380 |
| FelCor Lodging Trust, Inc. | 17,000 | 338,810 |
| Hersha Hospitality Trust | 129,300 | 1,280,070 |
| LaSalle Hotel Properties | 17,200 | 723,776 |
| Sunstone Hotel Investors, Inc. | 25,000 | 641,000 |
| Supertel Hospitality, Inc. | 161,000 | 1,213,940 |
| | | 7,427,851 |
| <i>Industrial 9.9%</i> | | |

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| | | |
|-------------------------------------|---------|------------|
| AMB Property Corp. | 4,000 | 239,240 |
| DCT Industrial Trust, Inc. | 64,500 | 675,315 |
| EastGroup Properties, Inc. | 14,000 | 633,640 |
| First Industrial Realty Trust, Inc. | 211,240 | 8,210,899 |
| ProLogis | 21,000 | 1,393,350 |
| | | 11,152,444 |
| <hr/> | | |
| <i>Manufactured Homes</i> 2.0% | | |
| Sun Communities, Inc. | 75,900 | 2,283,072 |

See notes to portfolio of investments.

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| Company | Shares | Value |
|---|---------|--------------|
| <i>Common Stocks continued</i> | | |
| <i>Real Estate Investment Trusts continued</i> | | |
| <i>Mortgage 5.4%</i> | | |
| Abingdon Investment, Ltd. (a) | 550,000 | \$ 4,856,500 |
| Alesco Financial, Inc. | 248,600 | 1,223,112 |
| Anthracite Capital, Inc. | 2,000 | 18,200 |
| | | 6,097,812 |
| <i>Office 10.8%</i> | | |
| American Financial Realty Trust | 309,100 | 2,488,255 |
| Brandywine Realty Trust | 102,400 | 2,591,744 |
| Corporate Office Properties Trust | 15,500 | 645,265 |
| Douglas Emmett, Inc. | 12,500 | 309,125 |
| Highwoods Properties, Inc. | 55,000 | 2,016,850 |
| Mack-Cali Realty Corp. | 11,000 | 452,100 |
| Maguire Properties, Inc. | 48,000 | 1,239,840 |
| Parkway Properties, Inc. | 55,000 | 2,427,700 |
| | | 12,170,879 |
| <i>Retail 7.2%</i> | | |
| Cedar Shopping Centers, Inc. | 75,000 | 1,021,500 |
| Equity One, Inc. | 10,000 | 272,000 |
| Feldman Mall Properties, Inc. | 3,000 | 22,680 |
| Glimcher Realty Trust | 109,400 | 2,570,900 |
| Kimco Realty Corp. | 5,000 | 226,050 |
| Pennsylvania Real Estate Investment Trust | 12,000 | 467,280 |
| Ramco-Gershenson Properties Trust | 3,000 | 93,720 |
| Realty Income Corp. | 54,600 | 1,526,070 |
| Simon Property Group, Inc. | 15,000 | 1,500,000 |
| Tanger Factory Outlet Centers, Inc. | 5,000 | 202,950 |
| Urstadt Biddle Properties, Inc. | 8,900 | 137,683 |
| | | 8,040,833 |
| <i>Specialty 0.8%</i> | | |
| Getty Realty Corp. | 32,600 | 886,720 |
| <i>Storage 3.0%</i> | | |
| Public Storage, Inc. | 3,000 | 235,950 |
| Sovran Self Storage, Inc. | 50,000 | 2,292,000 |
| U-Store-It Trust | 65,000 | 858,000 |
| | | 3,385,950 |
| <i>Total Real Estate Investment Trusts (Cost \$100,937,755)</i> | | 107,332,061 |
| <i>Other 3.9%</i> | | |
| American Capital Strategies, Ltd. | 23,500 | 1,004,155 |
| Brookfield Properties Corp. | 10,000 | 249,000 |
| Iowa Telecommunication Services, Inc. | 50,500 | 1,002,425 |
| MCG Capital Corp. | 41,000 | 589,990 |
| Seaspan Corp. | 48,200 | 1,585,780 |
| <i>Total Other (Cost \$3,517,018)</i> | | 4,431,350 |
| <i>Total Common Stocks (Cost \$104,454,773)</i> | | 111,763,411 |
| <i>Preferred Stocks 35.1%</i> | | |
| <i>Real Estate Investment Trusts 29.5%</i> | | |
| <i>Apartments 2.1%</i> | | |
| Apartment Investment & Management Co., Series G | 32,800 | 828,200 |
| Apartment Investment & Management Co., Series T | 60,000 | 1,485,000 |
| | | 2,313,200 |
| <i>Diversified 1.3%</i> | | |
| Colonial Properties Trust, Series D | 60,000 | 1,523,400 |

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Health Care 7.5%

| | | |
|---|---------|-----------|
| Health Care REIT, Inc., Series G | 20,000 | 630,000 |
| LTC Properties, Inc., Series F | 160,000 | 3,881,600 |
| OMEGA Healthcare Investors Inc., Series D | 160,000 | 3,961,600 |
| | | 8,473,200 |

See notes to portfolio of investments.

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| Company | Shares | Value |
|---|-----------|----------------|
| <i>Preferred Stocks continued</i> | | |
| <i>Real Estate Investment Trusts continued</i> | | |
| <i>Hospitality 13.5%</i> | | |
| Ashford Hospitality Trust, Series A | 107,900 | \$ 2,549,137 |
| Ashford Hospitality Trust, Series D | 100,000 | 2,330,000 |
| Eagle Hospitality Properties Trust, Inc., Series A | 28,000 | 504,000 |
| Entertainment Properties Trust, Series D | 61,800 | 1,393,590 |
| FelCor Lodging Trust, Inc., Series A (b) | 83,000 | 1,947,180 |
| FelCor Lodging Trust, Inc., Series C | 49,200 | 1,168,500 |
| Innkeepers USA Trust, Series C | 120,000 | 1,920,000 |
| Strategic Hotels & Resorts, Inc., Series A | 10,000 | 241,000 |
| Strategic Hotels & Resorts, Inc., Series B | 64,500 | 1,545,420 |
| Sunstone Hotel Investors, Inc., Series A | 68,800 | 1,627,120 |
| | | 15,225,947 |
| <i>Industrial 0.4%</i> | | |
| First Industrial Realty Trust, Series J | 20,000 | 477,400 |
| <i>Office 1.2%</i> | | |
| Corporate Office Properties Trust, Series H | 2,000 | 47,000 |
| Corporate Office Properties Trust, Series J | 22,000 | 532,400 |
| Kilroy Realty Corp., Series E | 500 | 12,348 |
| Kilroy Realty Corp., Series F | 30,000 | 715,800 |
| | | 1,307,548 |
| <i>Retail 3.5%</i> | | |
| Cedar Shopping Centers, Inc., Series A | 88,600 | 2,238,036 |
| Glimcher Realty Trust, Series F | 20,000 | 485,400 |
| Glimcher Realty Trust, Series G | 50,000 | 1,176,000 |
| | | 3,899,436 |
| <i>Total Real Estate Investment Trusts (Cost \$35,098,361)</i> | | 33,220,131 |
| <i>Other 5.6%</i> | | |
| Hilltop Holdings, Inc., Series A | 280,000 | 6,375,600 |
| <i>Total Other (Cost \$6,016,675)</i> | | 6,375,600 |
| <i>Total Preferred Stocks (Cost \$41,115,036)</i> | | 39,595,731 |
| <i>Other Investment Companies 5.6%</i> | | |
| Alpine Total Dynamic Dividend Fund | 96,200 | 1,890,330 |
| Cohen & Steers Premium Income Realty Fund, Inc. | 11,950 | 253,340 |
| Cohen & Steers REIT and Preferred Income Fund, Inc. | 28,426 | 712,924 |
| Eaton Vance Enhanced Equity Income Fund II | 19,800 | 379,368 |
| LMP Real Estate Income Fund, Inc. | 41,860 | 826,316 |
| Neuberger Berman Real Estate Securities Income Fund, Inc. | 50,950 | 785,140 |
| Neuberger Berman Realty Income Fund, Inc. | 42,400 | 883,192 |
| The Zweig Total Return Fund, Inc. | 118,800 | 578,556 |
| <i>Total Other Investment Companies (Cost \$6,273,997)</i> | | 6,309,166 |
| <i>Short-Term Investments 3.8%</i> | | |
| <i>Other Investment Companies 3.8%</i> | | |
| Dreyfus Cash Management, Institutional Shares, 5.18% (c) (Cost \$4,232,000) | 4,232,000 | 4,232,000 |
| <i>Total Investments 143.8% (Cost \$156,075,806) (d)</i> | | 161,900,308 |
| | | 628,324 |
| <i>Other assets less liabilities 0.6%</i> | | 628,324 |
| Preferred Shares, at liquidation preference (44.4%) | | (50,000,000) |
| Net Assets applicable to common shareholders 100% | | \$ 112,528,632 |

See notes to portfolio of investments.

Notes to Portfolio of Investments

- (a) 144A securities. Securities restricted for resale to Qualified Institutional Buyers (4.3% of net assets).
- (b) Convertible into common stock.
- (c) Rate reflects 7 day yield as of September 30, 2007.
- (d) Although subject to adjustments to the extent 2007 distributions by the issuers of the Fund's investments are characterized as return of capital, the cost, gross unrealized appreciation and gross unrealized depreciation of the Fund's investments for federal income tax purposes, as of September 30, 2007, are as follows:

| | | |
|-------------------------------|----|-------------|
| Cost | \$ | 156,075,806 |
| Gross unrealized appreciation | \$ | 13,507,593 |
| Gross unrealized depreciation | | (7,683,091) |
| Net unrealized appreciation | \$ | 5,824,502 |

Reference should be made to the Fund's financial statements for the year ended December 31, 2006, and six months ended June 30, 2007, for further information concerning the income tax characterization of the Fund's investment income and distributions.

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, as amended (the "1940 Act")), are effective, as of a date within 90 days of the filing date of this report, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended.

(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) 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.

(a)(1) Certification of Principal Executive Officer, as required by Rule 30a-2(a) under the 1940 Act.

(a)(2) Certification of Principal Financial Officer, as required by Rule 30a-2(a) under the 1940 Act.

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.

RMR REAL ESTATE FUND

By: /s/ Adam D. Portnoy
Adam D. Portnoy
President

Date: November 9, 2007

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 D. Portnoy
Adam D. Portnoy
President

Date: November 9, 2007

By: /s/ Mark L. Kleifges
Mark L. Kleifges
Treasurer

Date: November 9, 2007
